

2022 Universal Registration Document ●

INCLUDING THE ANNUAL FINANCIAL REPORT



Message from the CEO	1		
Extracts from the Integrated Report	3		
1			
GROUP PRESENTATION, OUTLOOK, AND STRATEGY	21		
1.1. History	22		
1.2. Key figures	24		
1.3. Strategy and objectives	30		
1.4. Business presentation	34		
2			
RISK MANAGEMENT AFR 	45		
2.1. Main risks and risk assessment	46		
2.2. Description and mitigation of main risk factors	48		
2.3. Vigilance Plan	55		
2.4. Risk Management and Internal Control Procedures implemented by the Company and Insurance	60		
3			
NON-FINANCIAL PERFORMANCE STATEMENT: SUSTAINABLE RESPONSIBILITY AFR 	69		
3.1. Strategy and business model overview [NFPS]	71		
3.2. Environment [NFPS]	85		
3.3. Social [NFPS]	107		
3.4. Ethics and Business conduct [NFPS]	132		
3.5. Milestones [NFPS]	134		
4			
CORPORATE GOVERNANCE AFR 	153		
4.1. Administrative and management bodies	156		
4.2. Corporate Officer remuneration	192		
5			
COMMENTS ON THE YEAR AFR 	217		
5.1. Operations and consolidated results	218		
5.2. Financial and cash positions	225		
5.3. Dividends	226		
5.4. Investments	227		
6			
FINANCIAL STATEMENTS	229		
6.1. Consolidated financial statements	230		
6.2. Statutory Auditors' Report on the consolidated financial statements	293		
6.3. Parent company financial statements of SOCIÉTÉ BIC (French Gaap)	297		
6.4. Statutory Auditors' Report on the financial statements	318		
6.5. Statutory Auditors' special report on regulated agreements	322		
7			
INFORMATION ABOUT THE ISSUER	323		
7.1. Information on the Company	324		
7.2. Share capital	327		
7.3. Shareholding	329		
7.4. Treasury shares and share buyback	331		
7.5. Investor relations	332		
7.6. Share information	333		
8			
BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS OF THE SHAREHOLDERS' MEETING OF MAY 16, 2023	335		
8.1. Ordinary General Meeting	337		
8.2. Extraordinary General Meeting	351		
9			
ADDITIONAL INFORMATION	355		
9.1. Documents on display	356		
9.2. Main press releases	357		
9.3. Declaration by responsible person of the Universal Registration Document	358		
9.4. Statutory Auditors and fees	359		
9.5. Glossary	361		
Cross-reference table for Universal Registration Document AFR 	363		
Cross-reference table with the Annual Financial Report	366		
Cross-reference table with the management report	367		
Cross-reference table of ESG information	369		
Cross-reference table of the corporate governance report	370		



UNIVERSAL REGISTRATION DOCUMENT

including the Annual Financial Report

2022



This Universal Registration Document has been filed on March 30, 2023 with the *Autorité des Marchés Financiers* (AMF), as competent authority under Regulation (UE) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities and, where applicable, a summary and any amendments to the Universal Registration Document. The package then formed is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document 2022 is a reproduction of the official version of the Universal Registration Document 2022 which has been prepared in xHTML and is available on the AMF website: amf-france.org



Message from BIC's Chief Executive Officer

**" We are focused
on providing
consumers with
products that
simplify their
lives, satisfy
their aspirations,
and make
them smile"**



2022 was an extraordinary year. Marked by inflation and recessionary pressures – amid soaring energy costs, supply chain disruptions and consumer uncertainty – it put our *Horizon* Plan to its most stringent test yet. And I am proud to say that *Horizon* has delivered.

With a record 13.8% increase in Net Sales at constant currency, our full-year top-line performance was exceptional – and well in excess of our guidance. These results are tangible proof of *Horizon*'s formidable success as a driver for growth. 2022 was a pivotal year of progress for BIC, as we doubled down on our investments in operations, brand support, R&D, and M&A. Today, we are more consumer-focused, data-driven and innovative than ever before.

At BIC, being consumer-centric means leveraging data to anticipate consumer trends and supply the market with innovative and environmentally friendly products.

Products like the BIC® Ecolutions® gel pen, made of 78% ocean-bound plastic: a key detail when two-thirds of millennial shoppers prefer sustainable brands. Like our break-resistant mechanical pencil, developed in line with consumer insights to address an important unmet need. Or the BIC® EasyRinse™, a design milestone that redefines razors for a new generation and makes clogged blades a thing of the past.

Being consumer-centric also means responding to their environmental concerns, via solid progress towards achieving our CSR goals. 2022 saw the announcement of ambitious new targets for reducing the Group's greenhouse gas emissions. At the end of the year, we reached a rate of 70% reusable, compostable or recyclable plastic in consumer packaging – on track to meet our target of 100% in 2025.

So, I would like to leave you with two words that sum up BIC's performance in 2022.

The first is reliability: as households are hit by inflation and rising energy costs, consumers around the world are turning to the long-lasting quality and value they associate with BIC.

The second is joy: more than ever before, we are focused on providing consumers with products that simplify their lives, satisfy their aspirations, and make them smile.

You can expect more of that in 2023, as we continue to sharpen our focus on consumer-centric innovation. *Horizon* proved to be a tremendous source of energy in 2022 and I would like to thank the team members in our factories and offices around the world for their commitment and outstanding work. It will go on driving BIC's sustainable growth throughout the year to come.

Gonzalve Bich
Chief Executive Officer



Table of Content

P. 4-5	GLOBAL FOOTPRINT
P. 6	FROM VISION TO LEADERSHIP
P. 7	<i>HORIZON</i> STRATEGIC PLAN
P. 8	LEADERSHIP POSITIONS
P. 9	TRENDS ARE OPPORTUNITIES
P. 10-11	HOW OUR BUSINESS MODEL CREATES VALUE
P. 12-13	SUSTAINABILITY
P. 14	WINNING TOGETHER AS ONEBIC
P. 15	GOVERNANCE
P. 16	BOARD OF DIRECTORS
P. 17	EXECUTIVE COMMITTEE
P. 18	RISK MANAGEMENT
P. 19	FINANCIAL AND NON-FINANCIAL PERFORMANCE
P. 20	SHARING VALUE



Global Footprint

€2,233.9 m
2022 Net Sales

15,898
workforce⁽¹⁾

€208.9 m
Net Income Group Share

89
Nationalities

**29 million BIC[®]
products
bought every day**

5.7%

Share of non-virgin
petroleum plastic in BIC[®]
products

76%

Share of renewable energy
used (as a % of total
consumption)

65.5%

of strategic suppliers
integrated the responsible
purchasing program

70%

Reusable, recyclable
or compostable
plastic in consumer
packaging

Innovation

9% of Net Sales from
innovations launched in
the previous three years


(1) BIC workforce includes permanent employees, fixed-term contracts and agency temporary staff.



Our global footprint allows us to bring consumers high-quality products that meet their evolving needs, while minimizing the Group's environmental impact.

92% of BIC® products manufactured in BIC factories

Net Sales by region and number of BIC factories

●
North America
43%
—

3

●
Europe
29%
—

9

● **24 factories worldwide**

Human Expression:
14 factories

Flame for Life:
6 factories

Blade Excellence:
4 factories

●
Developing markets
28%
—

12

 : BIC factories.



From Vision to Leadership

BIC is a world leader in Stationery, Lighters and Shavers. For the past 75 years, BIC has met consumer needs with high-quality, safe, affordable and essential products trusted by everyone. BIC is one of the world's most recognized brands, with products sold in more than 160 countries.



Bring simplicity and joy to everyday life to people all over the world.

It is this passion that drives our team members each day.



High quality
When we created our first product, the BIC® Cristal® ballpoint pen, we decided to focus on the essentials: a simple, high-quality product, sold at the right price, to facilitate an everyday gesture and to be used by anyone, everywhere.

Inventive
We succeeded in responding effectively to consumers' changing expectations. Our R&D teams work proactively to identify consumer needs and come up with innovations to meet them.

Reliable
We created consumer loyalty by offering the same high quality throughout the product's life: more than 2km of writing from one BIC® Cristal® ballpoint pen, 3,000 ignitions from one BIC® Maxi pocket lighter, and 17 shaves from a BIC® Flex 3 Shaver.

Sustainable
We are committed to creating long-lasting products with a light environmental footprint, manufactured with a minimum of resources. We use an eco-design approach, integrating alternative solutions such as the use of recycled materials or bioplastics in many products.



Horizon Strategic Plan

Launched in 2020, BIC's *Horizon Plan* is pushing the boundaries of our businesses. Its goal is to ensure long-term profitable growth by refocusing the Group around the twin pillars of **consumer-centricity and sustainability**.



Horizon aims to unlock category growth by expanding total addressable markets and tapping into new fast-growing segments driven by evolving consumer aspirations. It takes BIC's Sustainable Development journey to the next level and transforms our approach to plastics with a focus on recycling and alternative materials. It consolidates our business model, by capturing an increasing value share of our markets, with a sharp focus on execution and return on investment.

Horizon leverages our strong innovation capacities and manufacturing excellence, to generate incremental revenues through new routes to market. Finally, it capitalizes on the BIC brand in our core markets, building on new lifestyles to grow a comprehensive portfolio of consumer-led brands.



The first initiative has been reframing BIC's three historic business divisions into new core identities. **Human Expression** is moving classic and essential stationery into the new rapidly rising fields of creative and digital expression. **Flame for Life** delivers innovative, creative solutions for every occasion when a flame is required; it deploys BIC's technical excellence to consolidate a sustainable, high-value business model. **Blade Excellence** is reinforcing BIC's own-brand operations by leveraging blade manufacturing expertise and innovation legacy, and also by extending the Group's presence into the B-to-B segment.

Strategic focus

Horizon embodies BIC's mission to monitor and anticipate new consumer trends and bring consumers high-quality products that meet their developing needs.

Over the past years, we have been bringing that vision to life by:

- > Enlarging our key markets into fast-growing adjacent segments, with a focus on value-creation
- > Leveraging our capacity for innovation and industrial excellence to boost revenue in seizing new business opportunities
- > Capitalizing on BIC's unique identity to accompany new trends, and build an enriched portfolio of consumer-centric brands



The *Horizon Plan* has five key objectives:

Reframe our three categories to accelerate top-line growth

Take our Sustainable Development journey to the next level

Remain on a mid-single digit growth trajectory

Maintain strong cash-flow conversion

Sustain solid return to shareholders



Leadership Positions



Human Expression

Human Expression takes us into a whole new world of personal expression and creativity. We are expanding into fast accelerating markets: Arts & Crafts, Skin Creative and Digital Writing.

BIC No. 2 worldwide Writing instrument manufacturer with ca. **8%** market share⁽¹⁾
2022 Net Sales: **€839m** and **37%** of Group Net Sales

- BIC's growing Skin Creative range includes semi-permanent tattoos (Inkbox), temporary tattoos (Tattly), and erasable BodyMark® pens.
- The Rocketbook® range of reusable notebooks combines a traditional handwriting experience with the power of the Cloud, offering consumers the best from both worlds.
- BIC helps consumers to express their emotions with an ever-increasing range of creative writing instruments that also respect the environment, like the BIC® Ecolutions® and ReVolution® ranges.

(1) Euromonitor 2021.



Flame for Life

Flame for Life's main goal is to deliver safe high-quality solutions for every occasion when people need flames.

BIC No. 1 worldwide Branded lighter manufacturer with ca. **55%** market share⁽¹⁾
2022 Net Sales: **€872m** and **39%** of Group Net Sales

- With Djeep®, BIC strengthened its portfolio in the added-value segment of decorated lighters. The www.bic.com website offers special editions and enables consumers to create sets of personalized lighters.
- BIC's EZ Reach™ lighter has been designed specifically for non-smoking usages. In 2022, this new product accounted for 5.4% of the U.S pocket lighter market, while Utility models contributed 11% of BIC's 2022 Lighter Net Sales.
- BIC's new solutions provide not only the safest, but also the most sustainable flame. The J26 BIC® Ecolution™ lighter is manufactured from recycled and bio-based materials and boasts 30% less CO₂eq per flame than the iconic J26 model.

(1) Euromonitor 2021 and BIC estimates (excluding Asia).



Blade Excellence

Blade Excellence is focused on reinforcing its one-piece business with consumer-driven and sustainable added-value products, leveraging the Groups' advanced R&D legacy and manufacturing excellence. BIC also offers its high-precision manufacturing technology to other brands via BIC Blade-Tech, its B-to-B business.

BIC No. 2 worldwide Shaver manufacturer in the non-refillable segment with ca. **22%** market share⁽¹⁾
2022 Net Sales: **€497m** and **22%** of Group Net Sales

- Launched end of 2022, BIC®'s EasyRinse™ is a new razor for men and women featuring first-of-its kind blade design and patented anti-clogging technology.
- BIC® Bamboo shaver combines a moveable head with a handle made from responsibly sourced bamboo. BIC® Click Soleil 5 refillable shaver with a handle featuring more than 40% recycled material.
- BIC Blade-Tech expands into the entire wet shave sector. This new business is ramping up successfully and contributed 15% of the Blade Excellence division's growth in 2022.

(1) IRI/NIQ 2022, Disposable and Hybrid brands included.



Trends are Opportunities

Our brands



Exploring new means of Human Expression

Consumers are looking for attractive brands they can identify with. As a value and valued brand, BIC meets their everyday needs in categories like writing.

Interest in Arts & Crafts is growing, as people look for new forms of expression and spend more time on creative activities, particularly at home. We estimate that the Arts & Crafts market will grow by 3% by 2025⁽¹⁾.

Another means of expression has emerged, as more young people see their bodies as canvases for fluid self-expression. The fast-growing Skin Creative market – which includes temporary tattoo markers, temporary decals, henna tattoos and semi-permanent tattoos – should exceed €1.3 billion in 2031⁽¹⁾.

Young people and adults are all becoming digital nomads, driving demand for ever more innovative digital tools that are available anytime, anywhere.

Addressing all flame occasions

Tobacco consumption is decreasing, with non-smoking usages accounting for 75% of flame occasions: candles, cooking activities now represent the majority of these usages in both developed and developing regions, driving increasing demand for utility lighters.

Consumers are increasingly looking for even more customization. They thus build an emotional connection with brands that offer them personalized decoration, along with innovative and more sustainable products.

Sustainability considerations are guiding consumer behavior: people are looking for products – including lighters – which contain more recycled materials.

Evolving grooming habits and increasing demand for more environmentally friendly products

Grooming habits are evolving, with less frequent facial shaving but more body shaving and trimming, calling for high quality blades.

Beauty and personal care markets are growing, notably among women looking for more innovative and value-added products.

The e-commerce landscape has changed considerably and is expanding rapidly for all types of products. Consumers have adopted this new retail channel in their purchasing habits.

(1) BIC estimates.



How our Business Model Creates Value

● RESOURCES

Team members: the key to our success

To support growth and development, we continuously reinforce our teams' skills and capabilities by providing customized training programs and opportunities for career development. BIC has also developed a strong Diversity, Equity & Inclusion program.

15,898 workforce ⁽¹⁾
547.5 million euros payroll costs
16,238 training days

State-of-the-art and responsible production

We use a state-of-the-art production line while reducing the environmental footprint of BIC factories and protecting our employees' health.

24 factories on 4 continents
92% of Net Sales from products manufactured in BIC factories

Sustainable procurement strategy

Through our Responsible Procurement Strategy, we strive to minimize the environmental impact of BIC® products.

1,236.5 million euros purchases of raw materials, consumables and services
330 strategic suppliers

Solid financial foundation

Through sound cash management and a strong balance sheet, we ensure access to the capital needed to finance innovation, operations, and enhance growth.

1,876.3 million euros Shareholder Equity
300.0 million euros Net Cash from Operating Activities
359.9 million euros of Net Cash Position

Innovation

True to our culture of innovation, we maintain a sharp focus on developing new, innovative, environmentally-friendly products.

311 patents granted at the end of 2022
1.1% of Net Sales invested in R&D

(1) BIC workforce includes permanent employees, fixed-term contracts and agency temporary staff.

Sustainability

Acting on our "just what's necessary" philosophy to reduce our environmental impact

● HORIZON STRATEGY to ensure long-term profitable growth

Expand total addressable markets in fast growing segments, and apply enhanced commercial execution

Leverage innovation capabilities and global manufacturing excellence

Capitalize on BIC's consumer-centric brands and market reach

Consumer Trends

Desire for authenticity, individuality and creative expression



Committed to a safe work environment, and promoting diversity, equity and inclusion

Create long-term value for all stakeholders

● VALUE CREATION

Well-being and security at work

We strive to ensure that everyday tasks are fulfilling and safe.

70⁽¹⁾ work accidents
1.52% rate of absenteeism

Reduced environmental footprint

We reduced our footprint from a product's creation through to the end of its lifecycle, including a recycling strategy and controlling emissions from BIC's factories and headquarters.

-19.1% water consumption⁽²⁾
-4.7% energy consumption⁽²⁾
-2.2% waste production⁽²⁾
-18.1% greenhouse gas emissions (scope 1 & 2 location based)⁽²⁾
-0.6% greenhouse gas emissions (scope 3)
(2) per ton of production between 2021 and 2022.

Long-lasting products

We innovate to respond to consumer needs and create high-quality, safe, affordable, essential products trusted by everyone.

More than 2 km of writing for a BIC® Cristal®
3,000 constant flames for a BIC® Maxi Lighter
Up to 17 days of shaving with the BIC® Flex 3

Long-term profitable growth

We remain committed to ensuring financial value creation and sustainable returns to shareholders.

2,233.9 million euros Net Sales
208.9 million euros Net Income
96.3 million euros Capital Expenditure
134 million euros of return to shareholders
203.7 million euros Free Cash Flow

Education as a priority

We are committed to improving learning conditions for children around the world.

90 philanthropic projects supported
187 million children have benefited from improved learning conditions since 2018
900,000 euros invested in philanthropic projects



HUMAN EXPRESSION

OUR VISION

Bring simplicity and joy to everyday life

BLADE EXCELLENCE

FLAME FOR LIFE

Acceleration of online consumption

Demand for eco-responsible products



Sustainability

Sustainable Development has guided BIC's approach to doing business for over 20 years. Our "Writing the Future, Together" program established five major commitments to acting as a responsible company, and limiting our environmental footprint.



1. Fostering sustainable innovation in BIC® products

Simple, inventive designs, with less raw materials and long-lasting performance: sustainable development is embedded into BIC® products starting from the design phase

2025-2030 Commitments	2022 Key achievements and results
<ul style="list-style-type: none"> • By 2025, the environmental and/or societal footprint of all BIC® products will be improved • By 2025, 100% of consumer plastic packaging will be reusable, recyclable, or compostable • By 2030, we will use 50% non-virgin petroleum plastic or alternatives in our products 	<ul style="list-style-type: none"> • 100% of new products manufactured by BIC are subject to environmental and societal measurement thanks to the systematic usage of EMA⁽¹⁾ • A version of EMA⁽¹⁾ for packaging is employed to have a complete performance of the final product • 16 BIC® products labeled <i>NF Environnement</i> • 70% of reusable, recyclable or compostable plastic in consumer packaging

2. Acting against climate change

We deploy a global approach to energy consumption (energy efficiency, use of renewable energy, etc.) based on a Group roadmap and local choices

2025 Commitments	2022 Key achievements and results
<ul style="list-style-type: none"> • By 2025, BIC aims for 100% renewable electricity use⁽²⁾ 	<ul style="list-style-type: none"> • In 2022, 76% of electricity came from renewable energy sources • In terms of energy efficiency, the Group continues to progress. Over the last 10 years, energy consumption per ton of products decreased by 10.5% • BIC was awarded an A- leadership 2022 CDP score on Climate Change

(1) *Environmentally & socially Measurable Advantage.*

(2) *Initial Writing the Future, Together – #2 Acting Against Climate Change commitment of 80% renewable energy was achieved in 2020. An ambition of 100% was established in 2021.*



3. Committing to a safe work environment

The Group is committed to the safety, health and well-being of its team members

2025 Commitments	2022 Key achievements and results
<ul style="list-style-type: none"> By 2025, BIC aims for zero accidents across all operations 	<ul style="list-style-type: none"> Update of the Group's EH&S policy, signed by the CEO and shared to all facilities Organization of safety days to engage and train team members on EH&S topics Identification of two key focus areas to achieve the Zero Lost Time Incidents target by 2025: <ul style="list-style-type: none"> - setting up machine safety level thresholds across all sites; and - increasing the safety culture maturity among our team members

4. Proactively involving suppliers

Being a responsible company requires control of our entire value chain. Our purchasing team analyzes all risks and selects and collaborates with our most strategic suppliers on implementing a responsible approach

2025 Commitments	2022 Key achievements and results
<ul style="list-style-type: none"> By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing 	<ul style="list-style-type: none"> Integration of 65.5%⁽¹⁾ of strategic suppliers in the responsible purchasing program Mandatory responsible purchasing training program for buyers through a new training platform which will offer in 2023 a new training module on sustainable procurement Design of a procurement digital ecosystem integrating sustainable procurement tools (ex. Ecovadis, CO₂ measuring tools) with Buy4BIC modules

5. Improving lives through education

Because education has the power to change the world, it has always been at the heart of the Group's concerns

2025 Commitments	2022 Key achievements and results
<ul style="list-style-type: none"> By 2025, BIC will improve learning conditions for 250 million children, globally 	<ul style="list-style-type: none"> Learning conditions improved for more than 187 million children since 2018 67% of philanthropic contributions promoted education (product or financial donations)

(1) Excluding BIC Graphic, new acquisitions and certain OEMs.



Creating opportunities: Winning together as OneBIC

The driving force behind *Horizon* are our team members across the globe. They are our most important asset, working together as one strong unified team. At BIC, we are proud of the dynamic company culture we have built, empowering each and every one to play an active role and contribute to our overall success.

In this way *Horizon* is framing everything we do, from talent acquisition to learning and development. In 2022, our actions focused on employee engagement, career development and inclusive people management.

Growing as human beings

Our new Learning and Development (L&D) strategy is a direct expression of *Horizon*. It focuses on growing skills by delivering engaging and personalized experiences for individuals that help them acquire the competencies they need to stay ahead of the game. In 2022, 63% of employees received the equivalent of 129,900 training hours.

We relaunched our learning eco-system with a new program based on three pillars:

- **Leadership Signature Series:** 360° programs focused on leadership development, including coaching and mentoring;
- **On-Demand Digital Learning:** a best-in-class digital learning platform, focused on personalized individual skills development open to all team members;
- **Team Empowerment:** customized performance solutions – supplied by in-house coaches and facilitators – for full teams and individual team members.

Supporting the personal development of our people is an essential aspect of how we create a positive work environment and retain talented staff. We do this by offering opportunities and resources they need to grow and develop their skills.

Managing our talent

At BIC, we want to empower our team members to be in control of their career path.

In 2022, we implemented a new dedicated IT system throughout the Group as a one-stop destination where everyone can manage their personal information and keep track of their progress.

We also went live with our new Employee Value Proposition (EVP): *"It's a colorful world, make your mark"*. Capturing who we are as a Company and what it means to work at BIC. It is a powerful tool to attract the best talent. The EVP is being rolled out across BIC's new careers website, careers blog, and social media.

Global diversity is part of BIC's DNA

Our diversity is our strength. The BIC team has 15,898 team members from 89 nationalities, and we are committed to build a workplace marked by equity and inclusion where everyone can thrive. 2022 saw significant progress as we achieved the figure of 32% of women in leadership positions⁽¹⁾ vs. 29% in 2021. In addition, we launched our first Employee Resource Groups (ERG), networks of team members based on shared characteristics or background, sponsored by BIC. We are confident that this initiative will pave the way to our future success, by enhancing diversity recruitment, helping new team members to become embedded in the company and even in contributing to the development of new products aimed at specific customer groups as our team members are also users of our products.

The program is currently implemented in North America, before being rolled out to the rest of the world.

Actionable insights

BIC's consumer-led business strategy carries over into our people policy, and we are adopting a data-driven approach to get a better understanding of our teams. One of the most powerful ways we have to connect with our team members globally is our annual employee Engagement survey. In 2022 we made it a priority to rethink our approach on how we structure, administer, and interpret the survey to better reflect the changing needs of our workforce and take action. The results of the last Engagement survey are more than encouraging: 89% of our team members participated and we achieved an overall satisfaction score of 75%, a result we are extremely proud of.



75%
satisfaction score
achieved at the 2022
Engagement
survey

(1) Level four and above.

Governance

Clear and well-structured, our governance is organized to ensure the proper functioning of the Group and the respect of its values. In 2022, BIC strengthened its governance bodies to ensure the success of our consumer-centric strategy and our *Horizon* plan.

11 members
36% women
3 nationalities

11 Directors
50% women⁽¹⁾
50% independents⁽¹⁾
3 nationalities
8 Board meetings in 2022
98.8% attendance rate

Executive Committee

Missions

- Implements BIC's strategy
- Defines the Group's long-term ambitions
- Coordinates and provides guidance on the various functions of the Group's management
- Manages the major risks identified in BIC's risk mapping

Board of Directors

Missions

- Determines the Group's strategy
- Defines objectives and boundaries
- Provides direction and a set of expectations and guidelines to the CEO
- Monitors the company's performance

CEO

Nominations, Governance and CSR Committee

Remuneration Committee

Audit Committee

Shareholding structure

As of December 31, 2022, the total number of issued shares of SOCIÉTÉ BIC was **43,952,226**, representing **64,927,313** voting rights

46% Bich family
voting rights:
63%



53% Public

1% Treasury shares

(1) Excluding Director representing employees in accordance with Article L. 22-10-7 of the French Commercial Code.



Board of Directors

BIC's Board of Directors is committed to defining the Group's strategy and is supported by three specialized committees: the Remuneration Committee, the Audit Committee and the Nominations, Governance and Corporate Social Responsibility (CSR) Committee.



Nikos Koumettis
Non-Executive Chair and Independent Director
 Appointed Independent Director on May 18, 2022 by BIC's AGM
Appointed Non-Executive Chair by the Board on May 18, 2022
Expertise: Management, Consumer, Distribution, International



Gonzalve Bich
Director and Chief Executive Officer
 Director and Chief Executive Officer since May 16, 2018
Expertise: Management, Strategy, Growth, Sustainability, Human Resources



Elizabeth Bastoni
Independent Director
 Appointed Independent Director on May 15, 2013. Chair of the Remuneration Committee, and of the Nominations, Governance and CSR Committee, Interim Lead Director between May 19, 2021 and May 18, 2022
Expertise: Consumer, CSR, Human Resources



Vincent Bedhome
Director
 Representing the employees. Appointed Director on December 13, 2017. Member of the Remuneration Committee
Expertise: Manufacturing



Marie-Aimée Bich-Dufour
Director
 Appointed Director on May 22, 2019. Member of the Nominations, Governance and CSR Committee
Expertise: Legal, CSR



Timothée Bich
Director
 Coopted Director on December 10, 2019, ratified by BIC's AGM on May 20, 2020
Expertise: Finance, International



Maëlys Castella
Independent Director
 Appointed Independent Director on May 22, 2019. Chair of the Audit Committee and Member of the Remuneration Committee
Expertise: Finance, CSR, Innovation



Marie-Pauline Chandon-Moët
Director
 Appointed Director on May 28, 2003
Expertise: Consumer, Management



Candace Matthews
Independent Director
 Appointed Independent Director on May 10, 2017. Member of the Audit Committee and of the Nominations, Governance and CSR Committee
Expertise: Management, Distribution, Consumer, International



Société MBD
Director
 Represented by Edouard Bich. Appointed Director on May 24, 2006. Member of the Audit Committee
Expertise: Investing, Finance



Jake Schwartz
Independent Director
 Appointed Independent Director on May 20, 2020. Member of the Audit Committee
Expertise: Digital, Finance, Management

GOVERNANCE EVOLUTION

- Marie-Pauline Chandon-Moët, who has been a Director since 2003, did not wish to seek renewal of her mandate. To succeed her, the Board of Directors recommended, on February 14, 2023, the appointment of Véronique Laury, upon the proposal of the Bich Family. This nomination will be submitted to the Shareholders' Meeting on May 16, 2023.
- On February 14, 2023, the Board of Directors also acknowledged Elizabeth Bastoni's decision to step down from her position as Independent Director, Chair of the Compensation Committee and of the Nominations, Governance and CSR Committee, effective from the next Shareholders' Meeting, for personal reasons. Upon recommendation of the Nominations, Governance and CSR Committee, the Board of Directors of March 17, 2023 recommended the nomination of Carole Callebaut Piwnica as an Independent Director. This appointment will be submitted to the Shareholders' Meeting on May 16, 2023.
- Following the resignation of Inna Kostuk in October 2022, the selection process for a new Director representing employees is ongoing at the date of this Universal Registration Document and the Group Committee will appoint this director before the Shareholders' Meeting.



Executive Committee

Experts at the service of the *Horizon* strategy.

 <p>Elizabeth Maul Group Insights, Innovation & Sustainability</p> <p>Goal: develop our portfolio of innovative products to match consumers' expectations, especially in response to their need for creativity, self-expression, and their expectations for sustainable development</p>	 <p>Chad Spooner Group Finance</p> <p>Goal: evolve to a best-in-class finance function by establishing reliable, transversal processes, and continue to ensure the accuracy of financial reporting and efficient planning to drive our global financial performance</p>	 <p>François Clément-Grandcourt Group Lighters</p> <p>Goal: continue to grow the Lighter category through its unique manufacturing process and R&D, maintaining a strong focus on safety and quality</p>
 <p>Gary Horsfield Group Supply Chain</p> <p>Goal: reinforce the efficiency of our production through centralized purchasing and an « end-to-end » supply chain while preserving the security, quality and accessibility of our products</p>	 <p>Mallory Martino Human Resources</p> <p>Goal: build organizational and people capabilities in support of the long-term strategy, through the implementation of effective talent acquisition, talent management and talent development processes and solutions</p>	 <p>Sara LaPorta Strategy and Business Development</p> <p>Goal: develop a comprehensive corporate strategy, identify and analyze business growth opportunities</p>
 <p>Gonzalve Bich Chief Executive Officer</p>	 <p>Thomas Brette Partnerships and New Business</p> <p>Goal: develop our eco-system of partnerships and skills, to foster long-term growth opportunities</p>	 <p>Chester Twigg Group Commercial</p> <p>Goal: lead commercial operations and drive an omnichannel online and off-line go-to-market while integrating next generation capabilities</p>
 <p>Charles Morgan Information Technology</p> <p>Goal: develop secure, reliable and high-performance IT tools at the service of efficient production and commercial activity</p>	 <p>Esther Wick Group Legal</p> <p>Goal: continue to build the legal function into a trusted partner who proactively enables the Company to make balanced yet daring decisions in a fast-changing environment to fuel BIC's sustainable growth</p>	



Risk Management

BIC operates in a dynamic and complex environment. Risks surround and pressure the strategies we build. At the same time, the achievement of our objectives involves taking risks in an evolving landscape. BIC embeds risk management into its core processes to address risks that could significantly impact our ability to achieve our overall strategy.

1. Risk Identification

Review of external and internal environment with a bottom-up and top-down approach to identify risks at different levels in the organization

2. Risk Assessment

Evaluation of the magnitude and implications of the risk in order to prioritize them
 > Risk implications in terms of financial, operating, sustainability, regulatory and reputational impacts

3. Risk Mitigation

Develop strategies and specific actions to mitigate risks to an acceptable level

4. Risk Monitoring

Continuously evaluate progress and effectiveness of mitigation strategies

5. Risk Management

Embed risks and mitigation plans into core processes, such as:
 > Strategic Planning Process
 > Capital Planning
 > Core Operating Processes
 > Vigilance Plan

Business Units & Subsidiaries

Management

Executive Committee

Board of Directors

- Determine best course of action going forward including risk mitigation, acceptance or transfer
- Prioritize mitigation actions within acceptable levels of risk appetite and tolerance
- Annual Board of Directors Review of Major Risks

- Annual Audit Committee Review of Major Risks, Enterprise Risk Management and Insurance Programs
- Periodic Risk Reviews of Major Risks with the Executive Committee
- Ongoing Risk Reviews at Business Units and Subsidiaries according to their scope of responsibility



Financial and Non-Financial Performance

KEY PERFORMANCE INDICATORS	2020	2021	2022	OBJECTIVES	UN SDGs ⁽¹⁾
FINANCIAL PERFORMANCE					
Net Sales (in million euros)	1,627.9	1,831.9	2,233.9	Growth between 5% to 7% in 2023 at constant currency	
Adjusted EBIT (in million euros)	229.1	279.8	311.7		
Adjusted EBIT margin (in %)	14.1%	15.3%	14.0%	Improve 2023 adj. EBIT and adj. EBIT margin	
Net income group share (in million euros)	93.7	314.2	208.9		
Free cash flow before acquisitions and disposals	274.5	205.7	203.7	Expected to be above €200m in 2023	
Net cash position (in million euros)	183.9	400.1	359.9		
Earnings per share group share (in euros)	2.08	7.02	4.75		
Adjusted earnings per share group share (in euros)	3.54	4.29	5.12		
NON-FINANCIAL PERFORMANCE					
Energy consumption (gigajoules/tons)	12.96	11.96	11.39		
% of renewable energy used (WTFT ⁽²⁾)	80%	79%	76%	100% by 2025	7, 8, 9, 12, and 13
Water consumption (m ³ /tons)	5.22	4.62	3.73		
Greenhouse gas emissions normalized to production (tCO ₂ /tons) (scope 1 and 2)	1.03	0.91	0.74		
Number of training days	24,202	12,085	16,238		
% of reusable, recyclable or compostable packaging ⁽³⁾	42.5% ⁽⁴⁾	59.6%	70%	100% by 2025	
Use of non-virgin petroleum plastic in BIC's products	4.3%	4.0%	5.7%	20% by 2025 and 50% by 2030	
Number of products with improved environmental or societal footprint (WTFT ⁽²⁾)	9	12	3		3, 6, 8 and 12
Number of accidents across all operations (WTFT ⁽²⁾)	50	58	70	0 by 2025	3 and 8
Number of children whose learning conditions were improved (cumulative) (WTFT ⁽²⁾)	118	158	187	250 million by 2025	1, 4, 5, 6, 8 and 13

(1) United Nations Sustainable Development Goals.

(2) Writing the Future, Together.

(3) KPIs measured for the first time in 2020, to monitor the engagement taken by BIC.

(4) The 2020 figure (49,3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.



Sharing Value

Through a global approach to deliver long-term growth for all stakeholders, we ensure a sustainable balance between distribution of generated profits and investments in BIC's future.

Distribution to Stakeholders ⁽¹⁾

Governments
€93.4 m

Including €81.8 million paid around the world as corporate income tax and €11.6 million in other taxes

Communities
€900,000

Donations of funds and products

Shareholders
€134 m

Including dividend paid and share byback

Banks
+€2.0 m

Net interest received

Suppliers
€1,236.5 m

Purchased of raw materials, consumables, and bought-in services

Share the benefits of growth

2022 Net Sales
€2,233.9 m

Invest to ensure a sustainable growth

Investments

Capital expenditure
€96.3 m

Employees ⁽²⁾
€547.5 m

⁽¹⁾ Distribution to stakeholders does not take into account the change in working capital requirements.

⁽²⁾ Payroll, bonuses & profit-sharing payment.



GROUP PRESENTATION, OUTLOOK, AND STRATEGY

1.1. HISTORY	22
1.2. KEY FIGURES	24
1.2.1 Key financial figures	24
1.2.2 Key non-financial figures	28
1.3. STRATEGY AND OBJECTIVES	30
1.3.1 BIC Horizon Strategic Plan	30
1.3.2 2023 financial outlook	32
1.3.3 2023 Market trends assumptions	32
1.3.4 Long-term ambition	33
1.3.5 Risks and opportunities	33
1.3.6 Performance goals	33
1.3.7 Recent events	33
1.4. BUSINESS PRESENTATION	34
1.4.1 Business presentation by division	34
1.4.2 Research and innovation	42
1.4.3 Manufacturing footprint	43



1.1. HISTORY

- **1944**
Marcel Bich acquires a factory in Clichy, France, and starts a Writing Instruments business with his partner Édouard Buffard.
- **1950**
Launch of the “Pointe BIC®” in France, a revolutionary improved version of the Ball Pen invented by Hungarian Laslo Biro.
- **1953**
Creation of SOCIÉTÉ BIC to manufacture and distribute BIC® ballpoint pens.
- **1954**
Expansion into Italy.
- **1956**
Early ventures in Brazil.
- **1957**
Expansion in the United Kingdom.
- **1958**
Acquisition of the Waterman Pen company in the United States. Expansion into Africa and the Middle East.
- **1969**
Launch of the Promotional Products business via the Writing Instruments segment.
- **1972**
Listing of SOCIÉTÉ BIC on the Paris Stock Exchange on November 15.
- **1973**
Diversification of BIC’s product portfolio and launch of the BIC® Lighter with an adjustable flame.
- **1975**
Launch of the first “one-piece shaver” by BIC.
- **1981**
Diversification into the leisure industry through its subsidiary, BIC Sport, specializing in windsurf boards.
- **1992**
Acquisition of Wite-Out®, the U.S. correction products brand.
- **1994**
Appointment of Bruno Bich as Chair of the Board and Chief Executive Officer.
- **1997**
Acquisition of Tipp-Ex®, the leading European correction products brand, and Sheaffer®, a high-end brand in Writing Instruments.
- **2004**
Acquisition of BIC’s Japanese distributor, Kosaido Shoji. Acquisition of French-based Stypen®.
- **2006**
Mario Guevara becomes Chief Executive Officer of BIC in May. Acquisition of PIMACO, Brazil’s leading manufacturer and distributor of adhesive labels.
- **2007**
Acquisition of Atchison Products Inc., a U.S.-based supplier of promotional printed bags.
- **2008**
November: opening of a new shaver packaging facility in Mexico.
December: acquisition of Antalis Promotional Products (Sequana Group).
- **2009**
March: Acquisition of 40% of six (of the seven) Cello group entities, a leading stationery group in India.
June: acquisition of Norwood Promotional Products, a U.S. leader in calendars and promotional products.
- **2010**
June: disposal of Norwood Promotional Products Funeral business.
- **2011**
First-half: disposals of the PIMACO B-to-B division in Brazil and the REVA Peg-Making business in Australia.
November: acquisition of Angstrom Power Incorporated, a company specialized in portable fuel cell technology.



2012

February: disposal by DAPE 74 Distribution of its Phone Card Distribution business to SPF;

2013

September: launch of BIC® Education, an educational solution for elementary schools, combining handwriting and digital technology. Completion of the share purchase following the call option exercised on September 17 on Cello. Increase of BIC's stake in Cello's seven entities from 40% to 55%.

October: acquisition of land in Nantong, China (130 km North of Shanghai) to build a Lighter production facility.

2014

November: disposal of Sheaffer®, BIC's Fine Writing Instruments business, to AT Cross.

2015

April: sale of BIC's Portable Fuel Cell Technology business to Intelligent Energy.

December: Cello sells its remaining stake in Cello to BIC. This raises BIC's stake in Cello to 100%.

2016

May: Mario Guevara retires from his position as Chief Executive Officer. The Board of Directors decides to combine the roles of Chairman and Chief Executive Officer and appoints Bruno Bich as Chairman and Chief Executive Officer.

2017

June: sale of BIC Graphic North America and Asian Sourcing operations to HIG Capital.

October: opening of the new Writing Instruments facility in Samer (France).

2018

May: Bruno Bich retires from his position as CEO. The Board of Directors decides to split the roles of Chairman and Chief Executive Officer. Pierre Vareille is appointed Chairman of the Board and Gonzalve Bich becomes Chief Executive Officer.

October: filing by BIC of an infringement complaint with the European Commission for lack of surveillance of non-compliant Lighters that are either imported into or sold in France and Germany.

December: acquisition of manufacturing facilities of Haco Industries Ltd. in Kenya and its distribution activities of Stationery, Lighters, and Shavers. Disposal of BIC Sport, BIC's water sports subsidiary, to Take Outdoors and discontinuation of its Writing Instruments manufacturing operations in Vanne.

2019

January: inauguration of BIC's Indian subsidiary BIC Cello, in Vapi (Gujarat state).

March: inauguration of BIC's East Africa Facility in Kasarani, Nairobi.

July: Filing by BIC of a complaint with the European Ombudsman claiming maladministration by the European Commission of the infringement procedure brought against the Netherlands in 2010.

October: completion of the acquisition of Lucky Stationery in Nigeria (LSNL).

2020

July: acquisition of Djeep, one of the leading manufacturers of quality Lighters, reflecting BIC's strategy of greater premiumization and personalization.

December: acquisition of Rocketbook, the leading smart and reusable notebook brand in the United States, expanding BIC's business into the Digital Expression segment.

December: signature of agreement to sell its Brazilian adhesive label business, PIMACO, to Grupo CCRR, reflecting BIC's portfolio rotation strategy and focus on fast-growing consumer segments.

2021

February: completion of the sale of BIC's headquarters in Clichy-La-Garenne-based (France) and BIC Technologies sites for 175 million euros.

February: completion of the divestiture of the Brazilian adhesive label business, PIMACO, to Grupo CCRR for 40 million Brazilian Real.

2022

January: acquisition of Inkbox, the leading brand of semi-permanent tattoos.

May: appointment of Nikos Koumettis as Chair of the Board; August: acquisition of Tattly, a leading decal brand based in the US.

September: acquisition of AMI (Advanced Magnetic Interaction), a French start-up pioneer in augmented interaction technology.

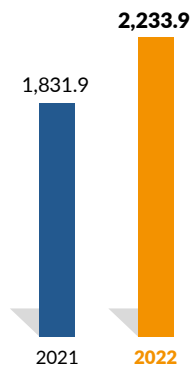


1.2. KEY FIGURES

1.2.1 KEY FINANCIAL FIGURES

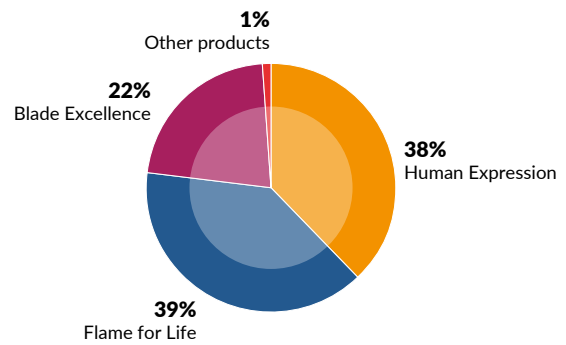
NET SALES

(in million euros)



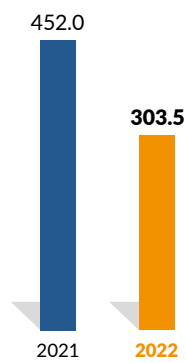
2022 NET SALES

(by division)



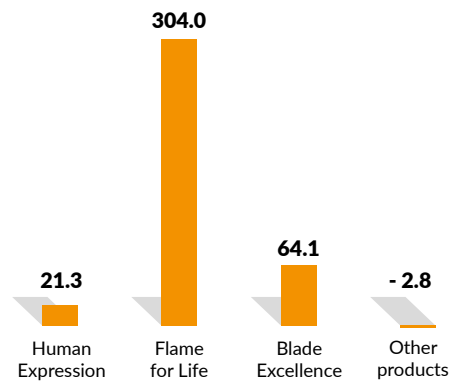
EARNINGS BEFORE INTEREST AND TAXES (EBIT)

(in million euros)



2022 EBIT ⁽¹⁾

(by division in million euros)



(1) Does not include Unallocated costs, mainly related to corporate costs, and amounting to (83.0) million euros in 2022

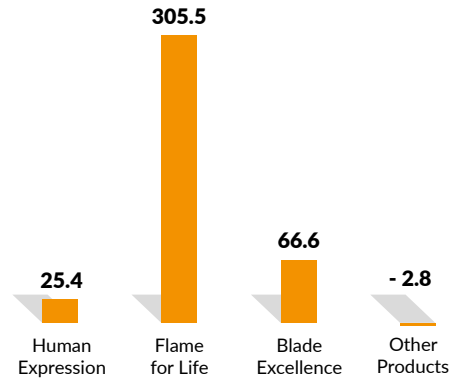




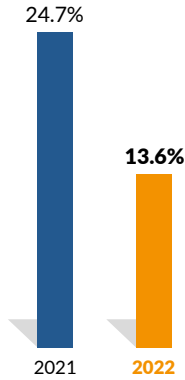
ADJUSTED EARNINGS BEFORE INTEREST AND TAXES (AEBIT)
(in million euros)



2022 ADJUSTED EBIT⁽¹⁾
(by division in million euros)



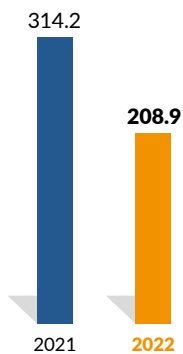
EBIT MARGIN
(% of Net Sales)



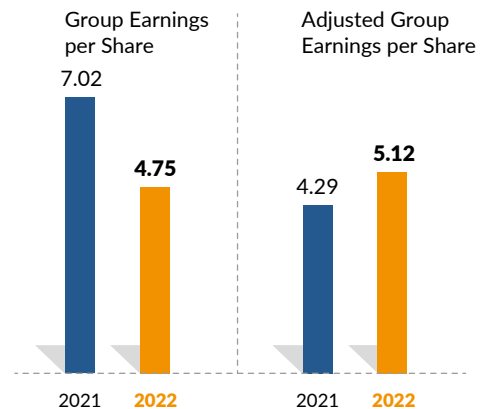
ADJUSTED EBIT MARGIN
(% of Net Sales)



NET INCOME GROUP SHARE
(in million euros)



GROUP EARNINGS PER SHARE AND ADJUSTED GROUP EARNINGS PER SHARE
(in euros)



(1) Does not include Unallocated costs, mainly related to corporate costs, amounting to (83.0) million euros in 2022



SALES VOLUME TRENDS

<i>(in million units)</i>	2021	2022
Human Expression	5,839	6,524
Flame for Life	1,571	1,647
Blade Excellence	2,320	2,351

PRODUCTION VOLUME TRENDS

<i>(in million units)</i>	2021	2022
Human Expression	5,305	5,641
Flame for Life	1,521	1,610
Blade Excellence	2,260	2,322

NET SALES BY REGION

<i>(in million euros)</i>	FY 2021	FY 2022	Change as reported	Change on a comparative basis	Change at constant currencies
Group					
Net Sales	1,831.9	2,233.9	+21.9%	+11.0%	+13.8%
Europe					
Net Sales	570.6	636.7	+11.6%	+10.9%	+11.1%
North America					
Net Sales	779.0	954.9	+22.6%	+6.7%	+9.2%
Latin America					
Net Sales	275.9	390.6	+41.6%	+20.1%	+30.1%
Middle East & Africa					
Net Sales	111.7	136.4	+22.1%	+16.6%	+16.6%
Oceania & Asia including India					
Net Sales	94.8	115.3	+21.7%	+17.0%	+17.0%



MAIN INCOME STATEMENT INFORMATION

Condensed profit and loss account <i>(in million euros)</i>	FY 2021	FY 2022
Net Sales	1,831.9	2,233.9
Cost of goods	901.1	1,155.9
Gross Profit	930.8	1,078.0
Administrative & other operating expenses	478.8	774.5
Earnings Before Interest and Taxes (EBIT)	452.0	303.5
Finance revenue/costs	(4.2)	(12.9)
Income before tax	447.8	290.6
Income tax expense	(133.6)	(81.7)
Net Income Group Share	314.2	208.9
Earnings per share Group share (in euros)	7.02	4.75
Average number of shares outstanding (net of treasury shares)	44,778,191	43,974,525

KEY BALANCE SHEET AGGREGATES

<i>(in million euros)</i>	December 31, 2021	December 31, 2022
Shareholders' equity	1,723.8	1,876.3
Current borrowings and bank overdrafts	76.3	76.5
Non-current borrowings	23.8	42.8
Cash and cash equivalents – Assets	468.9	416.3
Other current financial assets and derivative instruments	1.7	17.3
Net cash position ^(a)	400.1	359.9
Goodwill and intangible assets	322.1	407.4
TOTAL BALANCE SHEET	2,495.8	2,683.5

NB: SOCIÉTÉ BIC has not sought any rating from any credit rating agency. It also has not, to the best of its knowledge, been the object of any unsolicited rating by any credit rating agency.

(a) See Glossary.

CONDENSED CASH FLOW STATEMENT

<i>(in million euros)</i>	2021	2022
Cash flow from operations	410.3	428.0
(Increase)/Decrease in net working capital	(20.0)	(29.2)
Other operating cash flows	(109.7)	(98.8)
Net cash from operating activities ^(a)	280.6	300.0
Net cash from investing activities	57.6	(172.5)
Net cash from financing activities	(148.3)	(175.2)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	189.9	(47.6)
Closing cash and cash equivalents net of bank overdrafts	468.4	415.2

(a) See Glossary.



1.2.2 KEY NON-FINANCIAL FIGURES

SHARE OF RENEWABLE ENERGY

(as % of total consumption)



INCIDENCE RATE

(Number of accidents leading to loss of work time – per million hours worked – BIC workforce)



NUMBER OF TRAINING DAYS PER EMPLOYEE



	Unit	2021	2022
Factories with environmental and health & safety management systems (or that are being implemented)	%	82.2	83
Annual energy consumption	Gigajoules	1,097,484	1,136,505
Writing the future, together #2: Share of electricity from renewable sources	%	79	76
Total amount of annual greenhouse gas emissions (GHG) (location-based)	tCO ₂ eq	83,456	74,309
Total amount of annual GHG emissions GES (market-based)	tCO ₂ eq	35,311	40,244
Total amount of annual GHG emissions GES (scope 3)	tCO ₂ eq	805,000	800,000
Total ratio of annual GHG emissions to production (scope 1 & 2)	tCO ₂ eq/ton	0.91	0.74
Annual water consumption	m ³	423,679	372,349
Annual waste production	Tons	19,487	20,713
Number of products certified with the French <i>NF Environnement</i> ecolabel	Number	16	16
Writing the future, together #1: Share of recycled or alternative materials in BIC® products	%	4.0	5.7
BIC cardboard packaging from a certified and/or recycled source ^(b)	%	97.4	97.7
BIC plastic packaging PVC free ^(b)	%	95.6	96.2
Writing the future, together #1: Reusable, recyclable or compostable plastic in consumer packaging ^(b)	%	59.6	70
Writing the future, together #1: Recycled content of plastic packaging ^(b)	%	52.1	54.7
Total workforce	Number	14,113	15,898
• Permanent employees	Number	10,471	10,580
• Temporary workers	Number	2,936	4,441
Voluntary turnover	%	16	12
Percentage of permanent workforce by region			
• Europe	%	38.4	39.4
• North America	%	7.0	7.4
• Latin America	%	22	22.4
• Middle East & Africa	%	6.9	8.1
• India	%	24.9	21.7
• Asia-Pacific	%	0.88	1.0
Number of training days per employee	days	1.6	1.5
Percentage of women in management and workforce	%	44	43
• Board of Directors	%	50	50
• Executive Committee	%	30	36
• Level 4 and above (Executives & Excom)	%	29	32
Writing the future, together #3: Lost-time injuries ^(a)	Number	58	70
Incidence rate of occupational accidents – BIC workforce (accidents with temporary or permanent incapacity)	Number/million hours worked	1.99	2.09
Severity rate of occupational accidents – BIC permanent and fixed-term employees (accidents with temporary incapacity)	Number/thousand hours worked	0.11	0.10
Writing the future, together #4: Strategic suppliers integrated in the responsible purchasing program	%	52.3	65.5
Net sales from BIC® products manufactured in its own factories	%	91	92
Writing the future, together #5: Children with improved learning conditions (cumulative)	Millions	158	187

(a) In 2022, BIC recorded 60 lost-time injuries for BIC paid team members and 10 more for external temporary staff, while 50 facilities had 0 accidents.

(b) Excludes BIC Graphic, recent acquisitions and certain OEMs.



1.3. STRATEGY AND OBJECTIVES

For over 75 years, BIC® has met consumer needs and desires with high quality, simple, and affordable products and has become one of the most recognized global consumer goods brands, with products sold in more than 160 countries. Our **vision is to bring simplicity and joy to everyday life**, as we seek to create a sense of ease and delight in the millions of moments that make up the human experience.

Over time, the Group faced rapidly-changing industries and consumption trends affecting its three categories, as consumers habits and their interaction with brands continuously evolved. BIC's mission to offer high quality products to consumers everywhere and meet their fast-changing needs, led the Group' transformation **from a manufacturing and distribution-led into a consumer-centric company**.

1.3.1 BIC HORIZON STRATEGIC PLAN

BIC's **Horizon** strategy was launched in November 2020 to genuinely transform BIC's business, creating innovative products and services of tomorrow with an increased focus on consumer needs and sustainability. The goal was not only to amplify our core capabilities, but to go beyond them into higher-growth adjacent segments to ensure long-term sustainable growth and profitability. *Horizon* is embedded in the Group's everyday operations and strategic goals.

As part of this transformation, BIC reframed its three core categories through a heightened consumer lens to tap into a stronger growth trajectory:

- **in Stationery**, BIC evolved its focus to "**Human Expression**", responding to shifting consumer habits and expanding into the faster-growing Creative and Digital Expression markets;

- **in Lighters**, BIC expanded to "**Flame for Life**", focusing on all consumer lighting occasions, including those non-related to tobacco, and driving towards a more balanced model between volume and value. Flame for Life is intended to drive incremental growth and maintain profitability, powered by trade-up and personalization, innovation, and a push toward sustainability;

- **in Shavers**, BIC decided to capitalize on its assets, ground-breaking innovation and manufacturing capabilities to leverage its "**Blade Excellence**" with the objective to maximize these assets by building a selective new business – named BIC Blade-Tech – as a high precision blade manufacturer for other brands.

Embedded in BIC's *Horizon* plan are the following **strategic and financial targets**:

	Strategic and Financial Goals	Associated Targets
Growth acceleration	Deliver a mid-single-digit annual Net Sales growth trajectory	<ul style="list-style-type: none"> Significantly expand total addressable markets in fast-growing adjacent segments, and evolve BIC's business model to capture an increasing value share of our markets, with a strong focus on execution and return on investments. Leverage innovation capabilities and manufacturing excellence to generate incremental revenues through new routes-to-market. Capitalize on our brands in our core markets and build on new lifestyles to grow a comprehensive portfolio of consumer-led brands.
Cash flow generation	Maintain strong cash flow conversion. Free Cash Flow is expected to be above 200 million euros in 2023	<ul style="list-style-type: none"> Disciplined management of operational investments, with a target of 1 to 1.2 times Capex to Depreciation & Amortization. Strict control of Working Capital (Inventories, Receivables, and Payables).
Sustainable development	Take our sustainable development journey to the next level and transform our approach to plastics through two new commitments	<ul style="list-style-type: none"> By 2025: 100% of packaging will be reusable, recyclable, or compostable. By 2030: Use of 50% non-virgin petroleum plastic in our products.
Capital allocation	Fund organic growth and acquisitions in adjacent markets while ensuring sustainable shareholder returns	<ul style="list-style-type: none"> Investments into operations to sustain and enhance organic growth with approximately 100 million euros annual CAPEX investments. In 2023, CAPEX should be approximately 110-120 million euros. Targeted acquisitions to strengthen existing activities and develop in adjacent categories, with an average of 100 million euros invested annually. Objective of ordinary dividend pay-out ratio in the range of 40% to 50% of Adjusted EPS. Regular share buybacks. Up to 100 million euros Share Buyback program launched in 2023.



1.3.2 2023 FINANCIAL OUTLOOK

Full Year 2023 Net Sales are expected to grow between +5% and +7% at constant currencies driven by price, mix and volumes. We expect to improve 2023 adjusted EBIT and adjusted EBIT margin, with a growing Gross Profit margin, partially offset by continued investments in our Operations and Brand Support, aimed at driving our *Horizon* ambition of delivering long-term profitable growth.

Free Cash Flow is expected to be above 200 million euros in 2023, for the fifth year in a row.

1.3.3 2023 MARKET TRENDS ASSUMPTIONS

Our 2023 outlook is based on **the following market assumptions** ⁽¹⁾:

Market trends (in value)

- **Europe:**
 - Flat to low-single digit decrease in Stationery
 - Low to mid-single-digit decrease in Lighters
 - Low to mid-single-digit decrease in Shavers
- **US:**
 - Low to mid-single-digit decrease in Stationery market
 - Low to mid-single-digit decrease for total pocket Lighter market
 - Low to mid-single-digit decrease in the total one-piece Shaver market

- **Latin America:**
 - Low to mid-single-digit increase in Stationery
 - Low to mid-single-digit decrease in Lighters
 - Flat to low-single-digit increase in Shavers
- **India:** Mid to high-single-digit increase in Stationery

EBIT drivers

- **Gross Profit:**
 - Increase in volumes, prices and mix
 - Higher Raw Materials and Sea and Air Freight costs
 - Favorable FX impact
 - Manufacturing efficiencies

Adjusted EBIT:

- Gross Profit expansion
- Increase in Brand Support to support Net Sales growth
- Increase in R&D and OPEX to support *Horizon's* long-term growth and innovation

Free Cash Flow before Acquisitions and Disposals drivers

- Approximately 110 to 120 million euros in CAPEX

Currency: 2023 USD-EUR average hedging rate: 1.08

(1) Euromonitor and BIC estimates.

1.3.4 LONG-TERM AMBITION

Embedded in its *Horizon* strategy, BIC's ambition is to transform into a fast-moving consumer-centric company, in both existing and fast-growing adjacent markets to accelerate growth and sustain profitability over the long term. By doing so, the Group has adopted an integrated set of strategic initiatives in line with its vision and mission, including:

- create high-quality, safe, affordable, innovative products trusted by everyone;
- invest in operations, people, innovation and new products to sustain growth;
- enhance BIC's existing portfolio of highly recognized consumer products, where different brands address diverse types of consumer groups while leveraging the BIC Brand heritage;
- target selected acquisitions to strengthen existing activities and develop higher growth adjacencies;
- deliver long-term sustainable value for all stakeholders: consumers, employees, local communities, customers, and shareholders.

1.3.5 RISKS AND OPPORTUNITIES

We foresee the following major challenges in 2023:

- ongoing economic uncertainty due to the global geopolitical environment;
- foreign currency volatility;
- uncertainty around input costs.

While many of these issues are beyond our control, BIC is relentlessly putting in place actions to minimize the related risks across our operations.

We, therefore, believe that our strongest growth potential remains the strength of our Brands, the efficiency of our global supply chain and procurement, our commercial excellence including Revenue Growth Management, and our drive towards sustainable innovation. All of these are led by the talents of our multinational team members in 45 countries.

The Company has no knowledge of any governmental procedures, legal or arbitration proceedings, which are pending or threatened, that may have, or have had over the last 12 months, material effects on the financial position or profitability of the Company and/or the Group.

1.3.6 PERFORMANCE GOALS

Sales growth, market share gains, earnings before interests and taxes (EBIT), free cash flow generation and a strong balance sheet are the key indicators of the Group's performance.

1.3.7 RECENT EVENTS

February 14 and March 17, 2023: Evolution of the composition of the Board of Directors of SOCIETE BIC

The Board of Directors held a meeting on February 14, 2023, where the directors decided to submit to the Shareholder's Meeting the appointment of Véronique Laury to succeed Marie-Pauline Chandon-Moët, whose mandate will expire and did not wish to seek reelection. Véronique Laury will be representing the Bich Family. The Board also acknowledged Elizabeth Bastoni's decision to step down from her position as Independent Director, Chair of the Compensation Committee and of the Nominations, Governance and CSR Committee, effective from the next General Shareholders' Meeting, for personal reasons.

The Board of Directors, on March 17, 2023, upon the recommendation of the Nominations, Governance and CSR Committee, decided to submit to the Shareholder's Meeting the appointment of Carole Callebaut Pivnicca, as Independent Director, to replace Elizabeth Bastoni.

These two nominations will be proposed to the General Meeting to be held on May 16, 2023.

There has been no significant change in the financial position of the Company and its subsidiaries as a whole since December 31, 2022.



1.4. BUSINESS PRESENTATION

BIC is one of the leading players in the stationery, lighter, and shaver markets. Guided by our long-term vision, we provide high-quality, affordable products to consumers everywhere. This consistent focus has helped make BIC® one of the world's most recognized consumer products goods company, with products sold in more than 160 countries.

In 2022, BIC's global product portfolio included writing, marking (classic, permanent and temporary tattoo markers), correction, coloring, drawing instruments, semi-permanent tattoo, and smart reusable notebooks.

1.4.1 BUSINESS PRESENTATION BY DIVISION

BIC's *Horizon* strategic plan launched in November 2020, aimed at driving sustainable growth by reframing our three categories to expand our total addressable markets in fast-growing segments:

1.4.1.1 Human Expression – Stationery

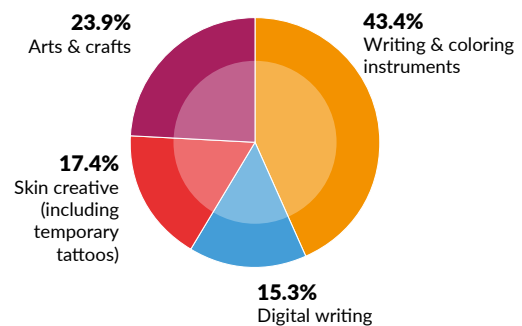
In line with its *Horizon* strategy, BIC's historical Stationery category evolved towards "Human Expression" to go beyond core Writing Instruments into Creative and Digital Expression. BIC constantly innovates to further strengthen its presence in both existing and adjacent segments.

Human Expression encompasses Writing and Coloring Instruments, Creative Expression which includes Arts and Crafts, Skin Creative and Digital Expression. Human Expression is a mid-single-digit growth market, which should reach c.50 billion euros by 2025 ⁽¹⁾.

Since the launch of the BIC® Cristal® pen in 1950, BIC has continuously diversified its Stationery product range through more added-value products and innovative launches and with an increased focus on sustainability.

To name a few in the last three years, BIC launched an anti-bacterial pen BIC® Clic Stic® PrevaGuard™, a tattoo body marker BIC® Bodymark, a new coloring range called Intensity, its first rechargeable metallic ball pen BIC® Cristal® ReNew™. In 2020, BIC acquired Rocketbook® the leading brand in Reusable Digital Notebooks. In 2022, BIC diversified further its brand portfolio, with the acquisition of Inkbox, the leading brand of high quality semi-permanent tattoos (high-quality 2-4 days decals), and Tattly, a US startup innovating in the field of high-quality temporary decals (2-4 days), which will diversify BIC's offering in the rapidly growing Skin Creative market. In the Digital Writing segment, BIC acquired AMI (Advanced Magnetic Interaction), a French innovative startup. AMI will strengthen BIC's R&D capabilities in Digital Expression.

BREAKDOWN OF THE HUMAN EXPRESSION MARKET SIZE PER SEGMENT IN 2021



Sources:

- writing & coloring instruments - Euromonitor 2021.
- BIC estimates for the other segments:
- arts & crafts: finger painting, watercolors, kits;
- skin creative: permanent, semi permanent tattoos, kids;
- digital writing: digital slates, pens & stylus.

BIC's markets and positioning

Core Writing & Coloring Instruments Market

BIC's historical market Writing and Coloring Instruments amounted to 18 billion ⁽²⁾ euros in 2021. The segment is expected to grow at around 5% CAGR 2021-2025 ⁽³⁾ driven by the rising demand from developing countries and innovation which will fuel growth in the Developed countries. Although the market remains highly fragmented, with many local players and family-owned businesses, it is dominated by four players (BIC, Newell Brands, Pilot and Shanghai M&G Stationery) with each recording an estimated market share over 5%. BIC is the number 2 global manufacturer with 8.2% market share, benefiting from leading positions in both Developed and Developing Markets.

Over the years, BIC strengthened its presence in Writing and Coloring Instruments' market through innovative launches enabling market share gains in key countries, whether it be in core writing instruments or in added-value products.

(1) Source: BIC estimates. Market estimates have been revised in 2022 based upon in depth analysis done by BIC's internal research teams to better evaluate the addressable market segments.

(2) Source: Euromonitor Writing & Coloring Instruments 2021 in retail value, incl. pens & pencils refills.

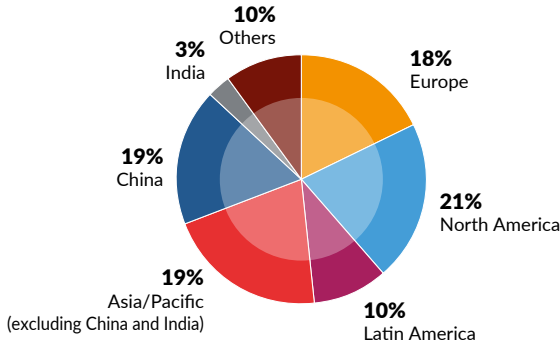
(3) Source: BIC estimates.



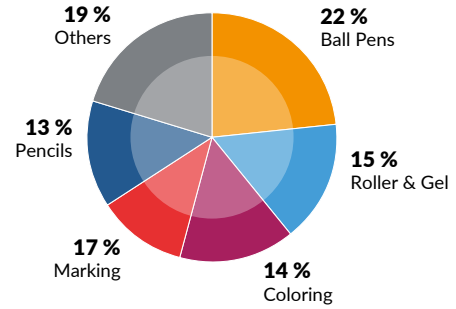
BREAKDOWN OF THE WRITING INSTRUMENTS MARKET

(In value – Euromonitor 2021)

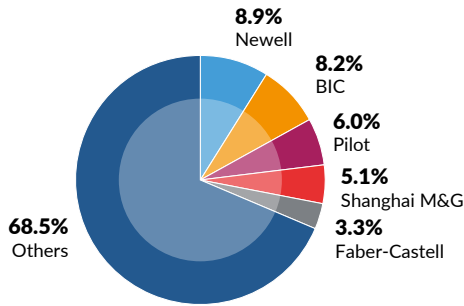
BY REGION



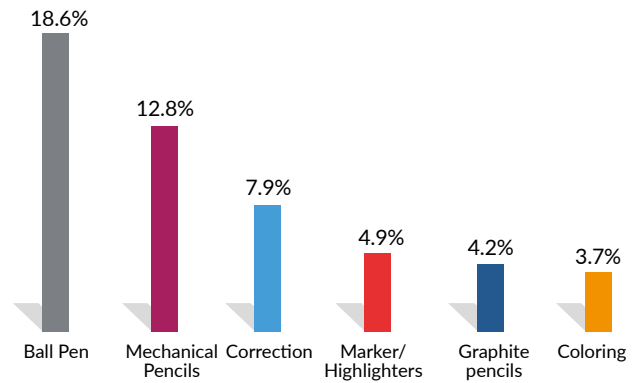
BY PRODUCT SEGMENT



MAIN MARKET LEADERS

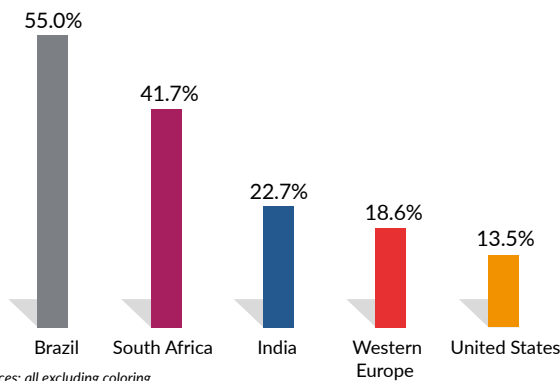


BIC'S MARKET SHARE BY SEGMENT



Source: Euromonitor Writing Instruments 2021 in value (excluding pen and pencil refills).

BIC'S MARKET SHARE BY REGION - 2022



Sources: all excluding coloring.

- Western Europe: GFK Europe 7 countries – December 2022.
- Brasil: Nielsen December 2022.
- US: NPD December 2022.
- India: Market Pulse November 2022.
- South Africa: IRI November 2022.

While BIC's portfolio is currently concentrated in historical core Writing Instruments segments, the Group's ambition is to shift towards more added-value and adjacent segments such as the Creative and Digital Expression markets. In 2022, 24% of Human Expression Net Sales came from the Creative and Digital Expression segments.



Creative Expression markets

The Arts and Crafts market is a large, mid-single-digit growth market (estimated at 10.6 billion euros in 2021)⁽¹⁾. The market is expected to grow by 3% (CAGR 2021 – 2025) thanks to the increasing demand of both kids’ and teens’ market as well as from adults asking for more creativity. Kids’ crafts account for more than 50% of the total. It includes a variety of sub-segments including Finger-painting, Watercolors, Kits, Crafting Accessories, Modeling Clay and Slime .

The Skin Creative market estimated at 7.4 billion euros⁽¹⁾ includes the permanent tattoos and the “Do it Yourself” Skin Creative segments. The fast-growing “Do it Yourself” Skin Creative segment includes temporary tattoo markers, temporary decals, henna tattoos and semi-permanent tattoos. It is expected to exceed 1.3 billion euros⁽¹⁾ in 2031, powered by the increasing desire of young consumers to be more fluid with their appearance and to express themselves using their body as a changeable canvas. Market players are mostly non-branded small companies.

- BIC entered the Skin creative market in 2018 through the launch of Bodymark®, an innovative temporary tattoo marker to address consumers’ attitudes shift towards self-expression, individuality and creativity.
- The acquisition of Inkbox in 2022 elevates BIC to a leadership position in the Do-It-Yourself Skin Creative industry and further enhances the Group’s existing portfolio of recognized consumer products, where different brands address diverse types of consumer groups. With its unique ability to customize, Inkbox further strengthens BIC’s DTC business and reinforces existing digital and social media engagement capabilities.
- In August 2022, the Group acquired Tattly, a US startup innovating in the field of small high-quality 2-4 days decals, diversifying BIC’s offering in the rapidly growing Skin Creative market and particularly in the kids' segment.

Digital Expression market

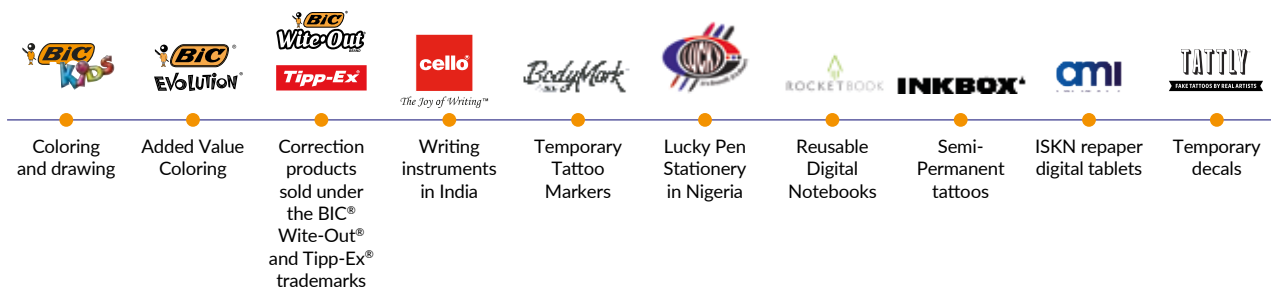
The **Digital Writing** market was estimated at 6 billion euros in 2021⁽¹⁾. As technology is improving and becoming more affordable, this market should grow by 6% CAGR 2021-2025⁽¹⁾ to weigh above 7 billion euros. It encompasses four main sub-segments: reusable notebooks, smart pens, slate tablets, and stylus for tablets:

- BIC’s entered into Digital Writing through the acquisition of Rocketbook® in 2020, the leading smart and reusable notebook brand in the U.S.;
- In 2022, BIC strengthened its R&D capabilities in Digital Writing with the acquisition of AMI (Advanced Magnetic Interaction), a French company specialized in the augmented interaction technology. AMI has designed the ISKN Repaper digital tablet, which allows users to capture paper writing and drawing in an electronic format.

BIC’s Brand Portfolio in Human Expression

BIC was built on the amazing power of its Brand, which is one of the world’s most popular household names. Over time, other brands have been added to our portfolio, most of them using BIC as an umbrella to drive attractiveness and consumer engagement, including Tippex®, WiteOut® and, more recently BodyMark® by BIC.

With *Horizon*, BIC started to migrate to a “house brands” strategy, where each brand has a different meaning for consumers. The acquisitions of Rocketbook and more recently Inkbox and Tattly further strengthens this approach. BIC’s Human Expression division now offers a diversified panorama of brands, where consumers can each see themselves reflected and find their “own” brand favorites.



(1) BIC estimates.





BIC's Distribution Channels

BIC's mission is to offer products available to consumers every day and everywhere, supported by its historical strategy "A BIC seen is a BIC sold".

BIC products are sold through a comprehensive range of channels worldwide as the Group pursues its objective to be an omnichannel specialist both offline and online. Products can be found in retail mass-market distributors, eCommerce channels (pure players, market places, B2B and B2C omnichannel retailers), traditional stores and Office Product suppliers (through contract or office superstores).

In the retail mass-market channel, Back-to-School season remains a key period. BIC offers consumers a tremendous range of school and college products through numerous displays, theatricalization (for example the iconic school bus display in Europe) and merchandising tools.

Office & school supply remains a critical distribution channel where BIC has a strong position thanks to the quality, reliability and value for money positioning of its product, all even more important for companies, administrations and schools.

With the launch of BIC's Invent The Future transformation plan in 2019, BIC strengthened its distribution network by reinforcing **its e-commerce positions**. In 2022, BIC maintained its leading positions in Stationery online in key markets: the Group ranked number 1 in France with 21% market share, number 2 in the UK with 18% market share, and number 3 in the U.S. with almost 13% market share (in value YTD December 2022).

1.4.1.2 Flame for Life – Lighters

In line with its *Horizon* strategy, BIC's historical Lighter category evolved to "Flame for Life", focusing on all lighting occasions. Flame for Life aims to balance volume with a more value-driven model, powered by trade-ups, personalization and innovation, to respond to changing consumer trends, while focusing more on sustainability.

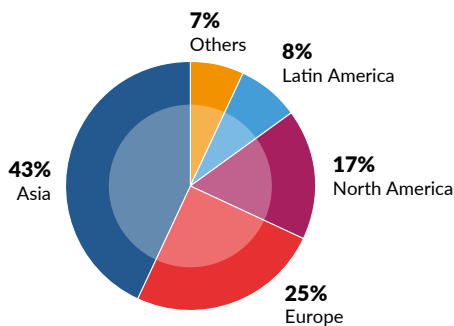
BIC's market and positioning

The worldwide pocket lighter market is estimated at 13.1 billion units (4.7 billion in value) ⁽¹⁾.

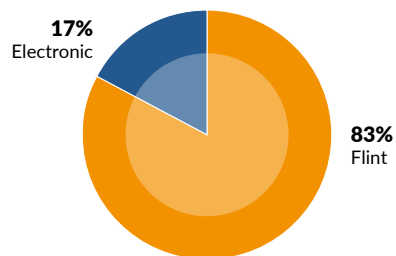
BREAKDOWN OF THE GLOBAL POCKET LIGHTER MARKET IN 2021

(BIC estimates – in value)

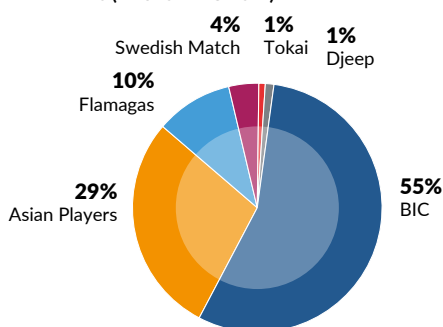
BY REGION



BY PRODUCT SEGMENT



MARKET LEADERS (EXCLUDING ASIA)

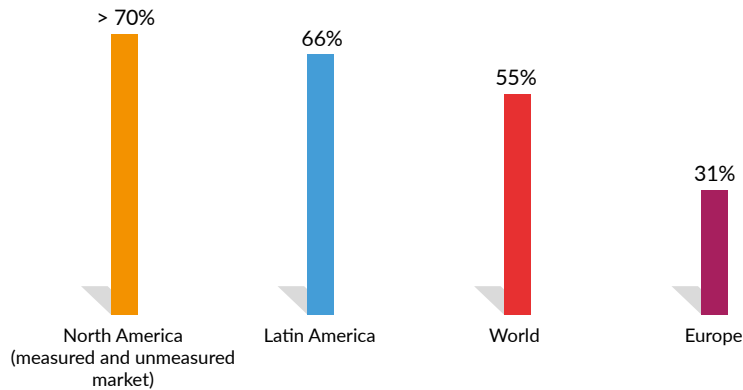


BIC's leadership position and market shares

BIC is No. 1 worldwide in branded pocket lighters in value, with approximately 55% in value in 2021 (excluding Asia) with leading positions in key geographies including North America, Latin America and Europe. The competitive advantages supporting BIC's leadership position include safety, quality, strong brand awareness, automated and highly efficient manufacturing process, and a solid distribution network.

(1) Global Pocket lighter market Report 2021.



BIC® POCKET LIGHTER MARKET SHARE IN VALUE IN 2021 (EXCLUDING ASIA)*(BIC Estimates)***Safety and quality, a key differentiator for BIC**

BIC is well-known for providing safe, high quality and compliant lighters to consumers worldwide. A lighter is pressurized gas in a plastic reservoir that is lit by a flame. It can present a real danger if it is not designed and manufactured properly. The consequences can be severe and are often unknown by consumers. International Safety Standards protect consumers from unsafe lighters.

Two key standards apply to pocket lighters:

- international lighter safety standard ISO 9994, which sets out the basic safety requirements for a lighter. ISO 9994 is mandatory in major markets such as Canada (1989), Russia (2000), Brazil (2002), South Africa (2002), Argentina (2003), Thailand (2003), Mexico (2004), South Korea (2005), the 27 members of the European Union (2006), Japan (2011), Indonesia (2011) and Turkey (2012);
- child-resistant requirements. A child-resistant lighter is purposely modified to make it more difficult to operate by children. Under this standard, the basic requirement is that a lighter cannot be operated by at least 85% of children under 51 months. Child-resistant legislation is mandatory in major countries such as the U.S. (1994), Canada (1995), Australia (1997), New Zealand (1999), the 27 members of the European Union (2006), Japan (2011), South Korea (2012) and Mexico (2016).

Low-cost lighters too often fail to comply with safety standards. Since the late 1980s, lighter models imported from Asian countries have gained market share. They currently account for over half of the global market (in volume).

BIC has been defending its position in this competitive landscape since its creation and advocates for enhanced lighter safety and quality. BIC® lighters comply with even more stringent safety,

quality, and performance requirements. For example, the gas reservoirs of BIC® lighters are made from POM (PolyOxyMethylene), a high-performance resin with very high impact resistance. This means that BIC® lighters contain more gas, allowing more ignitions thanks to their wall's thinness. They are also filled with pure isobutane, which ensures the flame's stability throughout the lighter's life.

Towards a more value-driven model through trade-up and innovation

BIC offers a wide range of high-quality Pocket and Utility lighters manufactured with the highest safety standards.

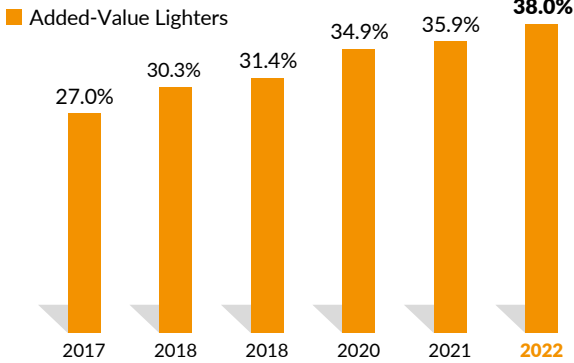
While BIC's shift to balance more volume with value in the model for its Lighter business started years ago, this was accelerated with the launch of the *Horizon* plan. More recently the following developments were made to support this transformation:

- the acquisition of **Djeep** in June 2020, which strengthened BIC's portfolio in the added-value segment of decorated lighters;
- the launch of **EZ Reach™**, BIC's first pocket Utility lighter, in July 2020. The product has already reached 5.4% of the US pocket lighter market (Source: IRI YTD December 2022). Utility lighters (including BIC® EZ Reach™) accounted for 11% of BIC's 2022 Lighter Net Sales;
- the deployment of **Revenue Growth Management** strategy to drive efficiency in promotional and pricing activities.

In 2022, added-value lighters, including BIC®EZ Reach™, Djeep®, utility and decorated lighters, represented 38% of BIC's total Lighter Net Sales, on track to reach the Group's 50% objective by 2025.



ADDED-VALUE LIGHTERS AS A % OF TOTAL FLAME FOR LIFE DIVISION NET SALES



BIC LIGHTER BRAND PORTFOLIO

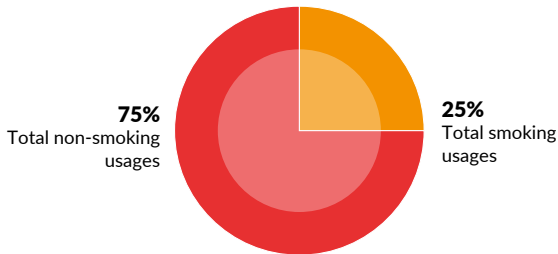


Addressing all lighting occasions including non-related to tobacco flame usages

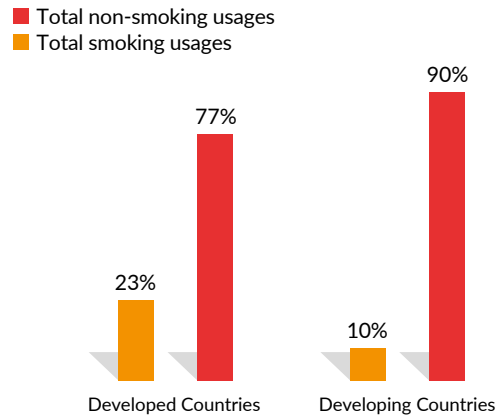
An important pillar of BIC's Flame for Life strategy is to drive growth by expanding to all flame occasions through incremental usages, as lighters have extensive non-smoking-related usages among different consumer activities. For the last six years, BIC lighter teams have undertaken extensive research to deepen

their knowledge of the different flame usages. One of the main findings confirmed that candles and cooking are the most important non-tobacco-related flame usages in developed and developing regions (Ipsos study for Calyxis - October 2021). These lighting occasions represent a growth opportunity for BIC, well-positioned to answer the usages non-related to tobacco through the strength of its brand.

TOTAL FLAME DEVICES - SHARE OF LIGHTING OCCASION

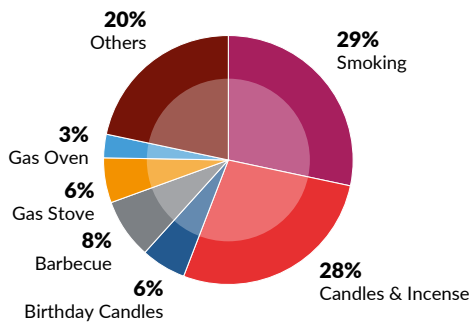


Source: Ipsos / BIC Flame Sizing - October 2021.

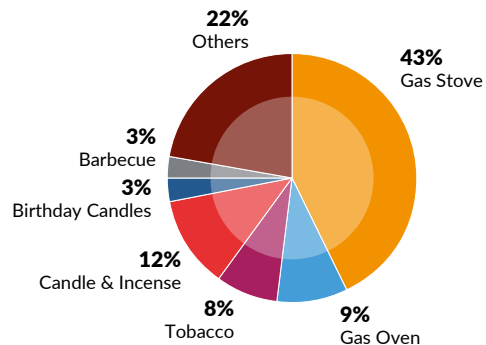


DETAILED BREAKDOWN OF FLAME OCCASIONS IN THE U.S. AND BRAZIL

U.S.



BRAZIL



BIC's Distribution Channels

BIC® lighters are sold through traditional distribution channels (such as convenience stores and tobacconists), retail mass-market distribution stores, and online in the United States. Both online and offline, in-store visibility is key to driving impulse purchases, and part of BIC's historical strategy "A BIC seen is a BIC sold".

In the traditional channel, which is the leading channel for lighters, BIC is the undisputed leader driven by full-distribution based on strong routes-to-market, and relevant customer and consumer programs driving value to the business. Counter displays and trays help BIC showcase large ranges of decorated lighters and innovations such as BIC®EZ Reach, addressing everyday needs while generating impulse in-store purchases.

In the mass-market channel, BIC focuses on relentless store visibility: at the check-out with classic pocket lighter ranges but also throughout affinity aisles such as candle and barbecue where EZ Reach and Utility lighters are highly attractive to consumers.

In e-commerce, in 2022, BIC continued to expand its BIC.com website in the U.S. driven by the "Design my BIC" offer enabling consumers to create sets of personalized lighters. They can also find exciting special editions, mono-color sets and brand new series of lighters.

1.4.1.3 Blade Excellence – Shavers

BIC's Blade Excellence division focuses on reinforcing its one-piece business with consumer-driven and sustainable added-value products and capitalizing on our advanced R&D and manufacturing capabilities through the creation of BIC Blade-Tech, the Group's B2B business for the wet shave market.

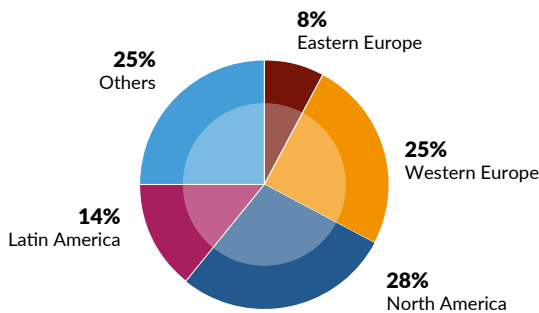
BIC's markets and positioning

The wet shave market was about 10.9 billion euros in 2021 and accounted for around 48% of the hair removal segment⁽¹⁾ in value. The estimate 2021-2025 CAGR⁽²⁾ for Total Wet-Shave market is +4.9%.

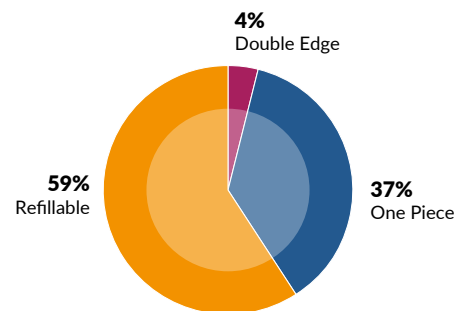
GLOBAL WET SHAVE MARKET

(Euromonitor – 2021- In value)

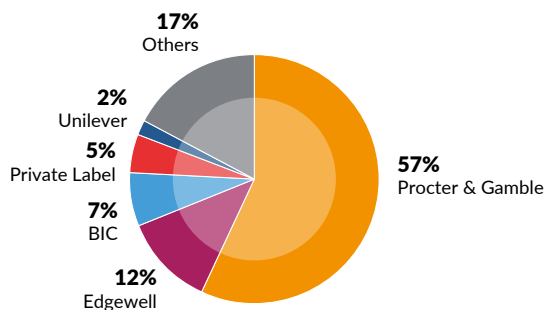
BY REGION



BY PRODUCT SEGMENT



MARKET LEADERS



The Wet-Shave market is split into three product segments: double-edge, one-piece and refillable. On the highly competitive environment of the one-piece and refillable segments, growth is mostly driven by new products which offer improved performance and added features. A constant ability to innovate is key to maintain a leadership position. With that objective, BIC has made the shift towards premiumization to gain market share on value-added segments, while keeping BIC's strength in offering products at the right value.

The global landscape is dominated by three legacy brands (Gillette, BIC®, Edgewell) though over the last decade "disruptors", primarily in the US launching as direct-to-consumer brands, have emerged. While such brands have expanded presence by securing distribution in brick and mortar, they are not directly competing with BIC given their refillable segment focus.

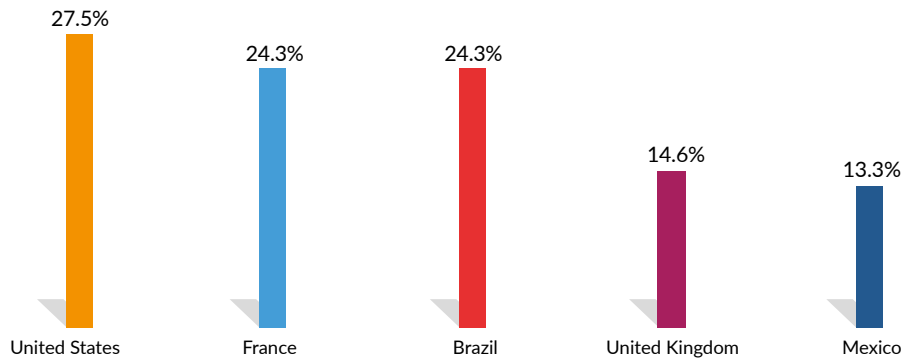
(1) Hair-Removal segment includes disposable & system razors for wet shaving, depilatory creams / gels / sugars / waxes, bleaches for use at home, electric shavers & depilatories and Preps for men and women. Total Wet-Shave includes all the refillable and disposable Razor & Blades for men & women.

(2) Euromonitor 2021, Global stats. Fixed 2021 exchange rates.



BIC's market share in the non-refillable shavers segment

BIC is the No. 3 worldwide player, with almost 7% share⁽¹⁾ of the total wet shave segment. In the non-refillable segment (disposable), BIC ranks n°2 worldwide with 22% market share⁽²⁾. The Group holds key positions in Europe, in the United States and in Latin America.



Source: IRI/NIQ FY 2022, disposable and hybrid brands included.

BIC's product portfolio, towards more innovative and sustainable products

In the 1970s, BIC revolutionized wet shaving when it launched the first one-piece shaver: the single blade "classic".

Over the last decade and supported by the implementation of the *Horizon* strategy, BIC has focused its innovation, sales and marketing efforts on the high performance three, four, and five-blade sub-segments, offering thus a complete range of female and male products:

- for Men: BIC® 3, BIC® Comfort 3®, BIC® Easy/Hybrid 3-blade, BIC® Flex range, and BIC® Flex Hybrid range;
- for Women: BIC® Pure 3® Lady, BIC® Soleil® range including Bella®, Glow®, Balance and Miss Soleil; BIC® Soleil Escape, BIC® Click Soleil 5;
- for Men and Women: at the end of 2022, BIC launched BIC® EasyRinse online in the US market, a new razor for men and women featuring a first-of-its-kind blade design and patented anti-clog technology. This new product will be rolled out throughout 2023, in stores in the U.S.

In 2022, 63% of Blade Excellence Net Sales was generated with added-value products.

In line with *Horizon* strategy, BIC also innovates with new products centered on sustainability and tailored to consumer evolving trends. As such, BIC recently launched:

- BIC® BAMBOO shaver in 2021: a five-blade Hybrid Flex 5 with a movable head and a handle made from responsibly sourced bamboo;

- an innovative hybrid shaver range in Europe in 2021 made with recycled plastic handles and sold with recyclable packaging;
- BIC® Click Soleil 5 in 2022: a razor for women with a handle made from 40% recycled material and co-developed with the raw material supplier Avient.

BIC Blade-Tech

With *Horizon*, BIC created **BIC Blade-Tech**, aimed at leveraging BIC's leadership position as a high precision manufacturer to power other brands and thus expand our addressable market into the total wet shave market, estimated to reach 13 billion euros for 2025⁽³⁾. A team including a commercial sales force dedicated to this new business, was created in 2021. BIC Blade-Tech started to ship its first customers, including both new and already established brands, in September 2021. In August 2022, BIC added a third customer to its portfolio. Based in India, this customer sells "powered by BIC" products for men. Overall, the new B2B business is successfully ramping up and contributed to 15% to the Blade Excellence division's growth in 2022. As planned, BIC Blade Tech is also accretive to the overall division's profitability.

Other products

Include various strategic and tactical operations:

- **DAPE 74 Distribution**, which sells to tobacco shops in France;
- **BIC® and non-BIC®-branded products**: these include batteries, and a line of shaving preps, all of which are designed to grow the BIC® Brand in key markets;
- **advertising and promotional products** in Europe.

(1) Source: Euromonitor 2021- in value.

(2) Source: IRI/NIQ YTD December 2022- in value.

(3) Source: Euromonitor, Global stats. Fixed 2021 exchange rate.



1.4.2 RESEARCH AND INNOVATION

BIC's R&D organization goals and missions

Since its creation, one of BIC's core ambitions has been to **reimagine everyday essentials through new products and ground-breaking ideas**, making research and innovation part and parcel of the Group's DNA. BIC's R&D organization ensures product quality and reliability while developing and delivering winning solutions for all consumers that build loyalty, relevance, and satisfaction. BIC is focused on enhancing consumer insight capabilities and increasing the pace of innovative new product launches internally or through partnerships **to address consumer needs and desires**, or anticipate them.

With the launch of the *Horizon* plan in November 2020, BIC took another step towards accelerating **sustainable and consumer-driven innovation**. R&D teams are relentlessly working on how to develop products desired by consumers and examples of their research include:

- technologies to allow sustainable manufacturing process, replacing solvents and reducing overall CO₂ footprint of the plants;
- strong focus on health and safety of products by inspection and evaluation of materials which must comply with the strictest regulations;
- investigation and development of solutions for increasing durability and extending coloring products' life in Stationery;
- development of innovative features in shaver products, aimed at excelling shaving performance;
- development of sustainable solutions by designing refillable products with the minimum amount of material.

BIC is also expanding its **open innovation ecosystem** with the following recent initiatives:

- creation of an in-house Data-Driven Innovation (DDI) lab, aimed at identifying early-stage technologies and integrating them into the Group's innovation pipeline;
- partnership with Plug&Play, one of the largest startup incubators globally, allowing the Group to access a wide diversity of startups and talent;
- creation of the Partnerships and new Business division, aimed at focusing on new business models and partnerships that will foster long-term growth opportunities and support innovation.

In 2022, over 230 team members were involved in research, development, and innovation. BIC invested 1.1% of sales in R&D. 9% of BIC's Net Sales derived from innovations launched in the previous three years, compared to 8.1% in 2021. In 2022, 100 patents were filed and 311 were granted in total.

Product innovation

In Human Expression, BIC continuously innovates to bring state-of-the-art writing technology to its consumers and launches an average of 20 new products each year. Some of the most recent product innovations include:

- erasable ink with the BIC® Gelocity Illusion;
- a tattoo body marker with the BIC® Bodymark®;
- writing felt-pen medium point with the BIC® Intensity Medium;
- new Intensity coloring.

BIC's increased focus on sustainability has also led to the launch in the past years of several innovative products with environmental benefits, creating a step forward to reducing our carbon footprint:

- BIC® Cristal® Re'New™, our first rechargeable metallic Cristal Ball Pen, offering a metal body and a recycled plastic cap;
- BIC® ReVolution, a full range eco-friendly Stationery line, made of at least 50% recycled plastic.

In Flame for Life, the category owns unique manufacturing processes and R&D, with a strong and ongoing focus on maintaining safety and quality. New product designs and process innovation in gas lighters are strictly controlled. A lighter not properly designed or manufactured can be potentially dangerous. Every BIC® lighter remains a safe and reliable product throughout its entire life cycle.

Following the successful launch of the BIC® EZ Reach in 2020, BIC launched in 2022 the BIC® Maxi Ecolutions lighter on the US and European markets, a new version of the BIC Maxi® lighter using alternative materials: bio-attributed plastic and 55% recycled metals.

In Blade Excellence, 10 to 15 new products are developed annually. These range from line extensions to new product launches. Some of the most recent innovations include:

- for Men: BIC® Flex5 and BIC® Flex5 Hybrid. In 2022, BIC® Hybrid Flex line was elected "Product of the Year 2022" by the French and Belgium consumers. The vote was based on perceived innovation, attractiveness, purchase intention and consumer experience. This is a refillable shaver with 100% recyclable packaging made from 80% recycled paper.
- for Women: BIC® Soleil Click5 and BIC® Soleil Sensitive Advanced. In 2022, BIC launched the new line BIC® Soleil Escape in the US. These razors have 4 flexible blades that individually adjust to the contours of the skin and have long-lasting lavender and eucalyptus scented handles. In addition, BIC launched a new version of BIC® Click Soleil 5 with a new handle containing more than 40% recycled material (recycled TPE- thermoplastic elastomer) co-developed with Avient, a raw material supplier;
- for Men and Women: BIC launched the BIC® bamboo shaver, a five-blade hybrid shaver with a movable head and handle made from responsibly sourced bamboo. In Q4 2022, BIC launched online in the US, BIC® EasyRinse, a new razor in both disposable and hybrid versions, featuring a first-of-its-kind blade design and patented anti-clog technology.





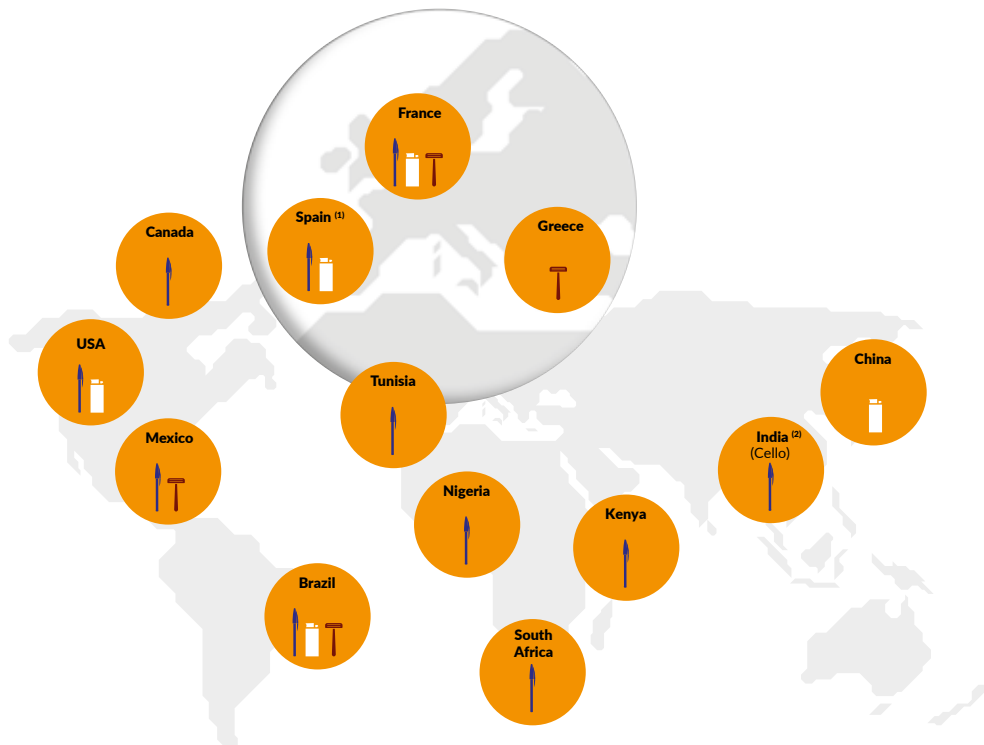
1.4.3 MANUFACTURING FOOTPRINT

92% of Group Net Sales are generated in BIC-owned factories. BIC owns and operates 24 manufacturing locations around the world:

- 14 locations are dedicated to manufacturing Human Expression products /Stationery, including 3 in France and 3 in India;

- 6 locations are dedicated to manufacturing Flame for Life products/Lighters, including 2 in France;
- 4 locations are dedicated to manufacturing Blade Excellence products/Shavers, including 1 in France.

MANUFACTURING LOCATIONS



(1) One factory in Spain is dedicated to Advertising and Promotional Products (BIC Graphic).
 (2) End of production in Haridwar (India) in Q4 2022.



EXISTING OR PLANNED PROPERTY, PLANT AND EQUIPMENT (INCLUDING LEASED ASSETS) AND ANY MAJOR ENCUMBRANCES

The major related encumbrances correspond to depreciation.

Country	Use	Location	Own/lease	Main products manufactured
SOUTH AFRICA	Factory, warehouse, offices	Johannesburg	Lease	Stationery (ball pens, coloring felt pens, markers)
BRAZIL	Offices	Barueri	Lease	-
	Factory and warehouse	Manaus	Own	Stationery (ball pens, markers, graphic pencils, coloring pencils), lighters, shavers
CANADA	Factory	Toronto	Lease	Human Expression (tattoos)
CHINA	Factory	Nantong	Own	Lighters
SPAIN	Factories and offices	Tarragona	Own	Stationery (ball pens, mechanical pencils, sticky notes), lighters, printing
UNITED STATES	Offices	Shelton, CT	Own	-
	Factory	Milford, CT	Own	Lighters
		Gaffney, SC	Own	Stationery (markers)
	Warehouse	Charlotte, NC	Own	-
Packaging	Charlotte, NC	Lease	-	
FRANCE	Offices	Clichy	Lease	-
	Factories	Cernay	Own	Stationery (dyes)
		Guidel	Own	Lighters
		Longueil-Sainte-Marie	Own	Shavers
		Montévrain	Own	Stationery (ball pens)
		Redon	Own	Lighters
		Samer	Own	Stationery (pencils, coloring pencils, leads, mechanical pencils, markers, whiteboards)
GREECE	Factory and offices	Anixi	Own	Shavers
INDIA	Offices	Mumbai	Lease	-
	Factories	Daman	Own	Stationery (writing instruments)
		Karembeli	Own	Stationery (writing instruments)
		Haridwar ⁽¹⁾	Own	Stationery (writing instruments)
KENYA	Factory and offices	Nairobi	Lease	Stationery (writing instruments)
MEXICO	Offices	Mexico City	Lease	-
	Factory	Cuautitlan	Own	Stationery (ball pens, mechanical pencils, correction tapes)
	Warehouse, offices and factory	Tlalnepantla	Lease	Printing
	Factory	Saltillo	Lease	Shavers
NIGERIA	Factory	Shagamu	Lease	Stationery
SLOVAKIA	Packaging	Sered	Lease	-
TUNISIA	Factory	Bizerte	Own	Stationery (ball pens)

(1) End of production in Haridwar (India) in Q4 2022.





RISK MANAGEMENT

Introduction	46
2.1. MAIN RISKS AND RISK ASSESSMENT	46
2.2. DESCRIPTION AND MITIGATION OF MAIN RISK FACTORS	48
2.3. VIGILANCE PLAN	55
2.3.1 Regulatory framework	55
2.3.2 Governance	55
2.3.3 Risk Mapping	55
2.3.4 Organization and measures to prevent major non-financial risks	57
2.4. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY AND INSURANCE	60
2.4.1 Risk Management and Internal Control definitions and objectives	60
2.4.2 Components of risk management and internal control of the Company and its subsidiaries	61
2.4.3 Risk Management and Internal Control participants, specific structure(s) in charge/respective roles and interactions	64
2.4.4 Insurance – coverage of risks	66



INTRODUCTION

BIC actively and dynamically manages its risks. The goal is to enhance the Group's ability to identify, manage, prevent, mitigate and monitor key risks that could affect the Group's:

- employees, customers, shareholders' interest, assets, environment or reputation;
- ability to achieve its targets;
- ability to stay true to its values; and
- ability to comply with laws and regulations including codes of ethics.

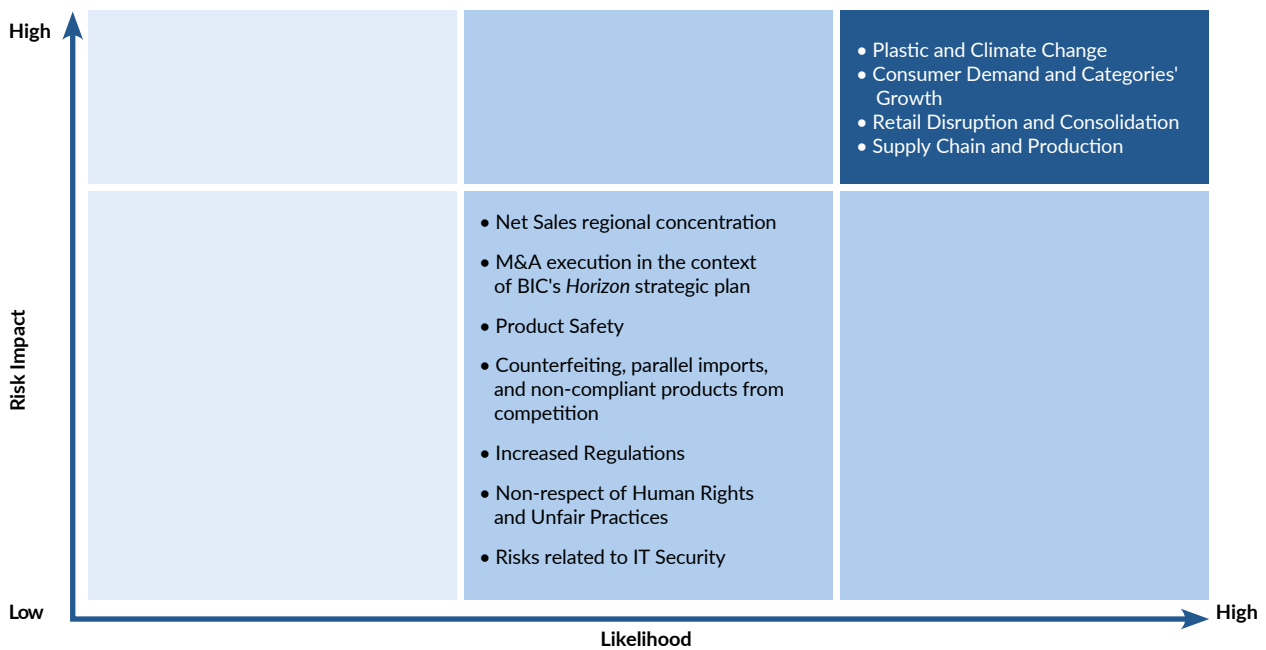
This approach is built around identifying and analyzing the main risks to which the Group is exposed.

A description of the risk management system can be found in *Section 2.4. Risk management and internal control procedures implemented by the Company and Insurance.*

The risks set out below are not the only risks faced by BIC. The risks set out below do not constitute a comprehensive enumeration of all risks that the Group is potentially exposed to. Unforeseeable events may also impact the Group's legal, financial or reputational capabilities.

BIC has taken a series of measures to mitigate the risks. One of these, described in *Section 2.4.4 Insurance. Coverage of risks,* is covering risks through adequate insurance policies.

2.1. MAIN RISKS AND RISK ASSESSMENT



Risk Impact	Low	Medium	High
Risks related to Plastic and Climate Change			X
Risks related to Consumer Demand and Growth in our three business categories			X
Risks related to Retail Disruption and Consolidation			X
Risks related to BIC's Supply Chain and Production			X
Risks related to BIC's Net Sales Regional Concentration		X	
Risk related to M&A execution in the context of BIC's Horizon strategic plan		X	
Risks related to Product Safety		X	
Risks related to counterfeiting, parallel imports, and non-compliant products from competition		X	
Risks related to increased Regulations		X	
Risks related to the non-respect of Human Rights and Unfair Practices		X	
Risks related to IT Security		X	

2

Ukraine

The Group closely monitors the potential consequences of the Ukraine crisis, on its activities.

In 2022, Russia and Ukraine accounted for 2.8% of BIC total Net Sales. Following the onset of the war, BIC paused all media, advertising, hiring, and capital investment in Russia, with the goal to ensure that this business disruption had as little impact on affected team members as possible. Simultaneously, BIC limited

its product selection at retail to basic essential items only and remained diligent in complying with all regulatory decisions, including European and U.S. sanctions. BIC remains in complete control of its brand and intellectual property in Russia to counter any potential moves for brand appropriation. The Group has no industrial presence in these two countries. Please refer to "Risks related to Supply Chain" and "Risks related to IT security".



2.2. DESCRIPTION AND MITIGATION OF MAIN RISK FACTORS

Risks related to plastics and climate change

Plastics and climate change are major risks for BIC:

- Risks related to plastics encompass:
 - upstream risks: with this material being used in BIC® products, thereby depleting a non-renewable resource that is thus subject to rarefaction and price volatility, and
 - downstream risks: with issues surrounding pollution from plastic waste. In addition, and although BIC® products are not single-use, the regulatory environment surrounding plastics is becoming increasingly stringent. Consumers and public opinion also hold increasingly negative views regarding such products.
- Risks related to climate change include:
 - risk of an increase in raw material costs. Energy efficiency programs, carbon capture and other measures by suppliers might increase raw material production costs;
 - risk of an increase in the cost of alternative plastic sourcing due to growing competition;
 - increased cost of operations linked to the rise of carbon prices.

Level of risk impact: high

Potential Impact on BIC:

The potential impacts on BIC include:

- increased cost of raw materials;
- rarefaction and price volatility of plastics;
- brand image deterioration due to alleged “single-use” plastic products;
- heightened regulations on plastics, impacting BIC’s direct or indirect operations;
- carbon regulations affecting operating costs;
- disruption or interruption to production activities due to extreme weather events related to climate change;
- environmental labelling of products, thereby impacting sales.

Examples of Risk Mitigation:

- A comprehensive **Sustainable Development Program** designed to limit the environmental impact of BIC’s activities. This covers BIC’s activities, products and supply chain, supplemented in 2018 by the commitments in the Writing the Future, Together program, including:
 - improving the environmental and/or societal footprint of BIC® products (2025 Commitment: #1 Fostering sustainable innovation in BIC® products). This goal is based on rolling out a comprehensive eco-design process as part of each product category’s innovation processes. This will allow BIC to mitigate the following risks:
 - the plastics challenge, and
 - the carbon footprint of its products;
 - the use of 100% renewable electricity by 2025.
 With this, the Group is looking to reduce its greenhouse gas emissions by purchasing renewable energy. It will also study the potential production of renewable electricity on-site;
 - a circular economy approach fully embedded into BIC’s historical approach to its products, including its 4R philosophy (Reduce, Recycled or Alternative, Refillable, Recyclable).
- **Ambitious commitments on plastics:**
 - by 2030: BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025;
 - by 2025: 100% of BIC’s consumer plastic packaging will be reusable, recyclable or compostable.

In 2022, BIC undertook a study to review the physical risks from climate change to all its facilities and those of some contract manufacturers and suppliers. The analysis included 248 facilities globally, including manufacturing centers, offices, residential buildings, warehouses and land owned by a third-party supplier or owned and leased by BIC.

The climate hazards included in the analysis were heat stress, water stress, floods, sea-level rise, and hurricanes and typhoons (tropical cyclones).

The most prevalent hazards for BIC were found to be floods and heat stress. Many of the exposed facilities are owned by third parties or leased. All these initiatives and those mentioned in the Group’s Sustainable Development Strategy in Chapter 3 help mitigate the risks.

Risks related to Consumer Demand and Growth

BIC is exposed to changing consumer trends for its products as a result of consumer preferences and attitudes to its products across all three categories – Human Expression, Flame for Life and Blade Excellence.

Global consumer trends may include:

- growth in Digital Writing technology;
- reduced tobacco use;
- changing shaving habits.

Level of risk impact: high**Potential Impact on BIC:**

- A lack of viable responses would impact sales and profitability.
- Changing consumer habits impacting BIC's three categories might result in:
 - a shift to e-learning in stationery;
 - lower tobacco consumption in lighters;
 - less frequent shaving in shavers.

Examples of Risk Mitigation:

- Focus Research & Development (R&D) on product innovations and brand positioning to address the decline and change in consumer demand.
- Adopt a Consumer-lens to category expansion.
- Expand in fast-growing Creative Expression and Digital Writing markets.
- Focus on sales growth in Developing Markets.
- Increase total addressable markets.

Risks related to Retail Disruption and Consolidation

BIC[®] product sales may be adversely impacted by:

- the consolidation of retail customers via e-commerce; and
- the potential reduction in pricing power related to pressure from retailers for lower pricing, increased promotional programs and direct-to-consumer channels.

Level of risk impact: high**Potential Impact on BIC:**

- Changing consumer buying habits may reduce pricing power through e-commerce channels and impact BIC's sales.

Examples of Risk Mitigation:

- Serve consumers wherever they shop across all channels from e-commerce to hypermarkets, stationery stores and small traditional trade stores.
- Expand in e-commerce by covering the spectrum from Pure-Play e-retailers to omni-retailers and rolling out the Direct To Consumer offering.
- Roll out of compelling consumer displays in retail stores and strengthen search efforts in e-commerce to drive sales conversion.

2



Risks related to BIC's supply chain and production

As a consumer products manufacturing, distribution, and sales-oriented organization, BIC is exposed to the risk of interruptions to production and internal and external supply chains issues. These may arise from raw material shortages or operational disruptions at suppliers. This is particularly true during critical seasonal buying periods like "back-to-school" in Stationery.

BIC operates a number of manufacturing and warehousing facilities across the globe. Nevertheless, certain products may be concentrated within specific regions, which may be impacted by a catastrophic event.

BIC is exposed to specific risks associated with the storage and use of hazardous substances. These include:

- gas for lighters;
- solvents for permanent markers and dry-wipe markers;
- solvents for industrial cleaning processes.

Level of risks impact: high**Potential impact on BIC:**

- A reliance on the supply chains of outside vendors may result in a shortage of raw materials if the vendor suffers a catastrophic event and/or disruption.
- A lengthy supplier qualification process may impact the availability of potential suppliers.
- A risk of losing key input materials if a supplier changes a formulation.
- A significant supply chain disruption may lead to BIC's inability to meet consumer demand and/or commitments.
- Certain plastics used in BIC products may see significant competition from other sectors. This may reduce the availability of raw materials and inventory.
- Reliance on specific raw materials and a significant cut in plastics from suppliers due to environmental regulations may impact product development.
- Interdependencies between BIC facilities may be impaired if a peril causes an inability to ship products from a manufacturing facility to distributors. This may affect the ability to supply goods to consumers.
- The continuing presence of Covid-19 could impact BIC's Global Supply Chain.
- The current crisis in Ukraine may continue to affect the supply and prices of certain raw materials.

Examples of Risk Mitigation:

- The BIC Procurement team focuses on supplier acquisition, supplier qualification and onboarding. It is also responsible for alternative sourcing and materials.
- Mitigating controls are in place to look for multi-supplier sourcing.
- An enhanced communications platform between sales and production teams allows to "right-size" product quantities and locations.
- BIC Logistics teams developed a logistics supplier mitigation strategy and warehousing optimization plan to minimize disruptions to distribution (sea and road freight).
- People and Capabilities programs are in place to enhance the strategy and maturity of functions required for global supply chain disruptions.

In all BIC factories:

- attention is paid to implementing and monitoring preventive measures and safety systems for gas and solvent storage areas;
- suitable control devices and equipment are in place to minimize risks from hazardous chemical substances;
- priority is given to the use of appropriate fire prevention systems including fire detection and control equipment;
- hazard and risk assessments are undertaken;
- procedures are put in place to identify, assess and prevent incidents and accidents;
- the workforce is trained to recognize potential hazards, as well as to take preventive and corrective action;
- compliance with local regulatory requirements is an integral part of the daily management of facilities;
- strategic inventories are held in some factories to cover critical materials and components;
- training programs are in place in all factories to back up the critical processes and ensure flexibility to cover market needs;
- maintenance programs are in place in all factories to protect key equipment and technical processes.

Certain Group factories are subject to the European Union SEVESO Directive, that identifies industrial sites that could pose significant accident risks. The SEVESO plants have emergency procedure protocols (*plan d'opération interne* and *plan particulier d'intervention*) and a major hazard prevention policy. Both SEVESO plants (BJ75 lighter factory and BIMA stationery factory) have also implemented a safety management system.

All other plants have equivalent emergency plans to address risks with potential off-site consequences.

Risks related to BIC's Net Sales regional concentration

BIC's Net Sales are concentrated in a few key markets, notably the U.S., Brazil and France.

Level of risk impact: medium**Potential impact on BIC:**

- Such concentration of revenue generation potentially exposes BIC to risks of shifting consumer demand or regulatory environment in those markets.

Examples of Risk Mitigation:

- Ongoing focus on sales in future growth markets.
- Roll-out of a portfolio approach.

Risk related to M&A execution in the context of BIC's strategic plan Horizon

BIC's *Horizon* strategic roadmap includes targeted acquisitions to strengthen BIC's existing activities and develop into adjacent businesses.

Level of risk impact: medium**Potential impact on BIC:**

- Execution of the deal, including the valuation and due diligence of the target businesses.
- Integration planning and execution of the acquired companies, including failure to capture synergies.

Examples of Risk Mitigation:

- A dedicated centrally-led M&A team is in-place with professionals with extensive M&A backgrounds.
- A clear operating model has been established with strong governance and clear accountability.
- A disciplined process supports due diligence and execution to identify and assess value creation.
- A strong planning process governs integration, focusing on delivering the synergies identified during the due diligence process.
- Creation of an integration team to ensure we capture the synergies and execute the underwriting plan.

Risks related to product safety

The risk related to product safety and consumer health and safety is placing non-compliant or unsafe products on the market.

Level of risk impact: medium**Potential impact on BIC:**

- Impact on consumer health and safety.
- Impact on the Brand image (consumers), BIC's reputation and business interests.
- Potential costs associated with possible market withdrawal or recall and/or fines.

Examples of Risk Mitigation:

- The Product Safety Policy includes commitments to ensure that products designed and manufactured by the Group are safe for health and the environment.
- BIC embeds regulatory compliance and product safety risk management into its strategy through a rigorous set of processes. The millions of consistent quality products that BIC supplies every day are verified by multiple tests and risk assessments.
- Consumer health and safety concerns are part of product design and manufacturing. Since 2019, the BIC Watch List has been factored into product ratings in EMA. The product safety team works closely with the product design teams to stay abreast of changes to the list and ensure its incorporation into product improvement.

For further information please see *Section 3.3.4 Product Safety*.

2



Risks related to counterfeiting/gray goods, parallel imports and non-compliant products from competitors

Counterfeits of the best known BIC products circulate throughout Africa, the Middle East, Eastern Europe and South America. They are mostly manufactured in Asia. These counterfeits, often of low quality, are mainly focused on our products' shape and on the BIC® trademark.

Additionally, gray goods (i.e., genuine BIC products made for specific markets and smuggled into another country) that violate U.S. regulations pose product recall risks.

The Group faces competition from low-cost lighters that often do not comply with safety standards, the ISO 9994 international safety standard, and the EN 13869 child resistance standard.

Level of risk impact: medium**Potential impact on BIC:**

- Impact on the Brand image (Consumers).
- Unfair competition with non conform or counterfeit products.
- Costs associated with possible market withdrawal or recall and/or fines.

Examples of Risk Mitigation:

- The Legal Department decides on relevant courses of action against such counterfeits, gray goods and non-compliant products by closely working with local authorities and law enforcement agencies. These courses of action include:
 - judicial and administrative actions;
 - monitoring program of leading e-commerce platforms;
 - market surveillance, traceability measures, and collaboration with local authorities to prevent illegal importation of gray goods to the U.S.
- BIC also targets non-compliant lighters through communication efforts geared toward stakeholders (customers, market surveillance authorities, EU Commission, EU Parliament, etc.).
- The Group continues to advocate to reinforce market surveillance in Europe. Some of the Group's proposals have been included in the EU Commission's General Product Safety Regulation proposal (June 30, 2021). An almost final draft was issued in December 2022. It lacks key elements to allow any significant improvement in enforcing safety requirements.
- In 2022, BIC worked to improve lighter safety standards in Mexico, advocated in Brazil for the maintenance of strict legislation on lighter market surveillance and strengthened market surveillance campaigns in Argentina.
- In 2022, the ISO 9994 safety standard has become mandatory for the first time in a U.S. State (Connecticut).

Risks related to heightened regulations

Restrictions, prohibitions and proposed prohibitions are increasingly common in the fields of chemical substances and plastics, particularly in North America and Europe. In the EU, the "New Green Deal for Europe" scheme aiming at making Europe the first carbon neutral continent by 2050, includes an ambitious plan "the Ecodesign plan for Sustainable Products Regulation" (ESPR). The purpose of the regulation is to define rules to make products more reliable, sustainable.

Level of risk impact: medium**Potential impact on BIC:**

- Impact on manufacturing processes and business interests.

Examples of Risk Mitigation:

BIC closely monitors announced regulatory changes and voices relevant technical and legal arguments:

- Together with other European manufacturers, BIC continues to object to the EU Commission's interpretation of the scope of the EU's CLP regulation (Classification, Labelling, Packaging). This regulation would require putting warning phrases on each writing instrument and lighter regarding the chemical substances in the containers. It would also require safety data sheets for each product. If BIC articles were considered as mere containers of mixtures, this could also trigger the application of laws relating to packaging and packaging waste;
- BIC regularly makes proposals as part of the ongoing revision of the EU's CLP regulation. BIC also makes proposals in respect of the ecodesign of products (ESPR).

Risks related to IT Security

The Group is exposed to risks stemming from cyberattacks and the failure of IT and telecommunications systems.

Personal data protection regulations, including the General Data Protection Regulations (GDPR), have increased the risks related to regulatory non-compliance.

The risk and cost of cyber threats continue to increase as more sophisticated attack capabilities are leveraged by malicious actors to initiate cyber breaches, with the intent to extort and/or disrupt businesses. In addition, changing work practices such as hybrid work/office attendance and the extension of digital connections between businesses increases the number of vulnerabilities that must be managed.

Level of risk impact: medium**Potential Impact on BIC:**

- Loss of strategic or confidential information.
- Failure of IT and telecommunication systems.
- Disruption of business operations, including manufacturing facilities or distribution centers.

Examples of Risk Mitigation:

- Dedicated IT security & data governance resources and processes have been established, including creating a Security Council and the appointment of IT Security & Risk Leaders.
- Cyber security mitigation has been aligned with BIC's internal control framework, and updates are regularly sent to the Audit Committee.
- IT security policies & standards have been implemented across the organization.
- Investments continue to be increased in cyber defense tools and services.



Risk related to the non-respect of Human Rights and Unfair Practices

This risk includes non-compliance with fundamental human rights such as child labor, discrimination or forced labor, as well as corruption and unfair practices.

Level of risk impact: medium**Potential Impact on BIC:**

- Legal actions against BIC and significant consequences in terms of reputation and attractiveness.

Examples of Risk Mitigation:

- BIC has adopted a Code of Conduct to ensure respect for Human Rights at work. This Code of Conduct has been revised and will be published in 2023. It applies to BIC factories as well as to contract manufacturers and suppliers.
BIC regularly monitors its implementation through audits and tools.
- BIC's reliance on contract manufacturing is relatively low but does give BIC greater flexibility.
Overall, 92% of its net sales come from products made in its factories.
60% of its factories in 2022 were located in countries with no human rights violation risk according to Freedom House.
- BIC has reinforced its expectations towards its suppliers by issuing in 2020 a Supplier Code of Conduct in addition to the more generally applicable Code of Conduct. Besides, suppliers and business partners are requested to comply with applicable national and international legislation. This includes laws regarding anti-corruption, anti-trust, anti-bribery, fair competition and human rights.

Further information can be found in *Chapter 3 Non-financial performance statement: our environmental, social and societal responsibility (Section 3.3.2.2 Ensuring respect of Human Rights in the workplace)*.

2.3. VIGILANCE PLAN

2.3.1 REGULATORY FRAMEWORK

In accordance with French Act no. 2017-399 of March 27, 2017, on the duty of vigilance of parent companies ("the Act"), BIC developed and implemented the following elements of a Vigilance Plan:

These elements include the necessary due diligence measures to identify risks and to help prevent:

- Infringement of Human Rights and fundamental freedoms;
- Health and safety hazards; and
- Environmental damage.

They target the major risks arising from:

- Group activities; and
- The activities of its subcontractors and suppliers with which it has an established business relationship to the extent such activities are connected with this relationship.

2.3.2 GOVERNANCE

Since 2021, Representatives of various departments, including Sustainable Development, Purchasing, Legal and Risk continued working on implementing the Vigilance Plan.

Efforts continued in 2022 with the focus on reassessing the Vigilance Plan and all the other elements of BIC's Compliance Program.

With a new Group Compliance Officer onboarded, it has been decided to review the existing Vigilance Plan and ensure its update. 2023 will be a year of new focus with the launch of a new risk mapping exercise together with a new Vigilance Plan.

The Executive Committee will continue to monitor the key non-financial performance indicators.

2.3.3 RISK MAPPING

Methodology

We continued the efforts started the previous years when two working groups carried out risk mapping to identify major risks:

- The first, overseen by the Sustainable Development Department and the Legal Department, focused on BIC's operations;
- The second, overseen by the Purchasing Department, focused on BIC's supply chain, as part of Writing The Future, Together program.

The working groups assessed major existing and potential risks across the supply chain, as well as opportunities designed to create value for stakeholders and the Group.

While in 2021 the risk mapping focused on assessing the risks associated with the supply chain, corruption risks were added to the map in 2022.

An Integrated Risk Assessment initiative was led by the central Enterprise Risk Management and the Compliance function using both a top down and a bottom-up approaches.

The results of this assessment were shared with the Executive Committee and key leaders within the company. For further details please refer to Section 2.2.

An external service provider, specialized in corporate social responsibility and responsible purchasing, supported the working group in developing the risk mapping tools and setting up action plans. The tools included the same rating scale as used for Group risk mapping (presented in Section 2.4 Risk management and internal control procedures implemented by the Company and Insurance).

The risk mapping methodology is built on :

- recommendations in the main relevant standards, such as ISO 31000 which provides a methodological risk management framework;
- expectations of outside stakeholders (e.g., French Anti-Corruption Agency, NGOs, clients) and internal stakeholders;
- requirements in the "Sapin 2" Act and EU Directive 2014/95/EU (on the non-financial performance statement) in terms of risk identification and prevention;
- UN recommendations and OECD guidelines regarding due diligence.

Both groups worked to identify and update the major risks and relevant actions on the four topics covered by the Act as well as business ethics through around 60 topics designed to sharpen the analysis and generate action plans.

This risk mapping (supply chain and Group activities) is regularly updated.



Perimeter

Major risks were identified by purchasing category:

- plastics;
- ink & chemicals;
- gas;
- metals;
- services (utilities and other services);
- logistics;
- subcontractors.

Stakeholder Consultation

The Group involved stakeholders in the risk mapping process:

- internal stakeholders:
 - purchasers within the various purchasing categories,
 - Group Compliance Officer,
 - domain experts (EH&S, industrial facilities, sales in different geographical areas, HR, etc.);
- external stakeholders: some suppliers (plastics).

BIC will keep involving and consulting stakeholders regarding the Vigilance Plan in 2023, with the intent to review and revise the methodology with the support of external experts.

2.3.4 ORGANIZATION AND MEASURES TO PREVENT MAJOR NON-FINANCIAL RISKS

The Chapter 3 of the Universal Registration Document explores in detail the issues, policies, initiatives, accomplishments over the past year and BIC's non-financial performance.

BIC has drawn up a series of documents to facilitate risk management. The ones that specifically address the areas covered by the Act and provide the basis for BIC's Vigilance Plan are:

- BIC Anti-Corruption Policy (updated in October 2020);
- BIC Group Code of Conduct (issued in 2020 and reviewed in 2022);

- Health, Safety, Environment Policy (EH&S);
- BIC Charter of Diversity;
- Supplier Code of Conduct (issued in 2020);
- Global Procurement Policy (issued in 2020);
- Responsible Purchasing Charter (incorporated in the Supplier Code of Conduct issued in 2020).

These documents are listed in Section 3.4.

Within the scope of the law, the major risks listed below represent the most critical risks identified both in terms of probability of occurrence and seriousness of potential impact.

2

A. Major Risks Arising from BIC Group Activities ^[NFPS]

Major risks	Type of risks	BIC Policies	BIC Organization	Mitigation and remediation measures/ Due diligence and regular assessment processes/Results - Key non-financial performance indicators
Plastics: plastic waste and resource depletion	Environmental risks	2025 Commitment: #1 Fostering sustainable Innovation in BIC® products	Implementation by the Categories, by the Purchasing Department, with the support of the Sustainable Development Department	See the eco-design process in Section 3.2.3. <i>Circular economy and waste</i>
Climate change	Environmental risks	2025 Commitment: #2 Combatting climate change	Implementation by the Sustainable Development Department EH&S Officer in the factories	See the process for combatting climate change in Section 3.2.1. <i>Climate</i>
Product safety and Consumer Health and Safety	Risks to health and safety	BIC policies governing product safety	Implementation by the Product Safety Department	See the product safety policy in Section 3.3.4.2 <i>Product safety</i> .
Health and Safety of Team members	Risks to health and safety	2025 Commitment: #3 Committing to a safe work environment. EH&S Policy	Implementation by HR and each category EH&S Officer in the factories	See the workplace safety process in Section 3.3.1.3 <i>Working conditions</i> .
Non-respect of Human Rights and Fundamental Freedoms (child labor, ILO conventions)	Risks to Human Rights and Fundamental Freedoms	BIC Code of Conduct, HR Policies	Implementation by HR for team members Implementation by each Factory Director	See the measures to ensure Human Rights are respected in the workplace in Section 3.3.2. <i>Workers in the value chain</i>
Unfair practices (Corruption)	Risks of active or passive corruption	BIC Code of Conduct and BIC Anti-Corruption Policy	Implementation by a Group Compliance Officer, the Legal Department, the Purchasing Department	See the process to combat corruption in Section 3.4 <i>Ethic an Business conduct</i> .



B. Major Supply Chain Risks

Purchasing Categories	Type of risks	BIC Policies	BIC Organization
Raw materials, Plastics, Metals, Inks and Chemicals	<p>Environment: Plastics consumption, water pollution and soil pollution related to the extraction of raw materials</p> <p>Human Rights: Exposure of local populations to releases from production sites</p> <p>Exclusion of conflict minerals</p> <p>Health and Safety: Impact of chemicals on health and safety of team members</p> <p>Consumer product safety</p> <p>Ethics: Regulatory compliance, corruption</p>	<p>The Supplier Code of Conduct (issued in 2020)</p> <p>Global Procurement Policy (issued in 2020)</p> <p>2025 Commitment: #4 Proactively Involving Suppliers</p>	Implementation by Group Procurement, Industrial Departments, and Sustainable Development Department
Packaging	<p>Environment: Deforestation, overpacking, water pollution from the manufacturing process</p> <p>Health and safety: Environmental impact of chemicals used (inks, adhesives)</p> <p>Ethics: Regulatory compliance, corruption, use of wood from non-sustainable exploitation</p>	<p>The Supplier Code of Conduct (issued in 2020)</p> <p>Global Procurement Policy (issued in 2020)</p> <p>BIC Code of Conduct (issued in 2020)</p>	Implementation by Group Procurement, Industrial Departments and Sustainable Development Department
Transport & Logistics	<p>Environment: Greenhouse gas emissions, consumption of non-renewable energy sources</p> <p>Health and safety: Road accidents & handling accidents</p> <p>Ethics: Corruption</p>	<p>The Supplier Code of Conduct (issued in 2020);</p> <p>Global procurement Policy (issued in 2020);</p> <p>BIC Code of Conduct (issued in 2020)</p>	Implementation by Group Procurement, Industrial Departments and Sustainable Development
Contract manufacturers	<p>Environment: Greenhouse gas emissions, consumption</p> <p>Societal and Human Rights: Compliance with ILO Conventions in terms of working conditions, forced labor, constrained work or child labor</p> <p>Employee Health and Safety</p> <p>Ethics: Regulatory compliance, corruption</p>	<p>The Supplier Code of Conduct (issued in 2020)</p> <p>Global procurement Policy (issued in 2020)</p> <p>BIC Code of Conduct (issued in 2020)</p>	Implementation by Group Procurement, Industrial Departments and Sustainable Development
Indirect suppliers	<p>Environment: Water and energy consumption, water pollution especially for maintenance personnel</p> <p>Societal and Human Rights: Compliance with ILO Conventions in terms of working conditions, forced labor, constrained work or child labor</p> <p>Employee Health and Safety</p> <p>Ethics: Corruption</p>	<p>The Supplier Code of Conduct (issued in 2020)</p> <p>Global procurement Policy (issued in 2020)</p>	Implementation by Group Procurement

Mitigation and Remediation/Due Diligence Process

- Since 2019, BIC has relied on a global Group procurement organization to achieve an integrated best practice approach. To this end, BIC Purchasing teams and Supply Chain teams have merged into a global department. One of its key priorities is to continually and consistently implement the supply-chain aspects of the Vigilance Plan (suppliers, subcontractors, transporters).
- BIC has also completed a raw materials audit encompassing 26 suppliers to identify and evaluate all supply chain risks for the Lighters category. Results were published in Q1 2021 and a specific mitigation plan was established. The methodology used was expanded to the other categories in 2021.
- In addition, the Responsible Procurement 2025 Road Map aims to identify value creation drivers in the supply chain and assess and mitigate any sustainable development risks. The execution plan provides for appropriate actions to be rolled out for each category and supplier type. In 2022, 65.5% of strategic suppliers had been brought within the program for at least one of the responsible procurement actions. The goal is for 100% of strategic suppliers to be part of the program by 2025.
- Furthermore, in 2019 and throughout 2020 and 2021, BIC implemented a Responsible Procurement Training Program as a part of the BIC Capability Building Program.
- The Group's Supplier Code of Conduct launched in 2020 is shared with all BIC suppliers.
- In 2021, BIC developed and rolled out a third-party due diligence program to monitor, identify, mitigate and document any exposure to corruption and unfair practice risks. Such due diligence and mitigation efforts are managed and documented using an integrity tool which was recently updated in 2022. Further enhancements are planned in 2023 with the launch of a new policy and procedures.
- The third-party due diligence program is a risk-based approach that:
 - categorizes & identifies suppliers,
 - performs risk assessments,
 - mitigates risks, and
 - monitors and continuously reviews suppliers and reports any risks on an ongoing basis.
- The first phase of the third-party due diligence program focused on BIC's strategic suppliers and Contract Manufacturers.
- In parallel, BIC has updated the list of strategic suppliers using specific criteria. 2022 being a transition year, the new evaluation is planned to be communicated in our 2023 Vigilance plan.

For further information on responsibility in the value chain, the steps taken and the results achieved, please see *Section 3.3. Ethics and Business Conduct Across the Value Chain*

Regular Assessment Process

BIC Procurement teams implemented the following process to ensure the risk mitigation measures are regularly assessed:

- Monitoring, screening, vetting and mitigating risks of strategic and high-risk suppliers including delisting;
- Monitoring of the CSR criteria in calls for tender or in referencing processes;
- Monitoring of the supplier panel through audits, documentation reviews, assessments, etc.;
- Monitoring of audit findings, documentation reviews, assessments, etc.;
- Monitoring of the corrective actions requested;

Results – Key Non-Financial Performance Indicator

Key non-financial performance indicators were defined and will be implemented according to the various purchasing categories.

C. Whistleblower Hotline

The "BIC Speak-Up" hotline, which is accessible to all BIC team members and third parties, allows any breach of the BIC Anti-corruption Policy and BIC Code of Conduct to be reported (see *Section 3.4 Business Conduct and Combating Corruption*). This offers a route for whistleblowers to make disclosures on risks covered by the Act. The hotline is accessible from BIC's intranet and websites.

In 2022, 21 new cases were reviewed and investigated thoroughly.

A training for internal investigators was held in Clichy in September 2022, allowing few selected internal investigators from Europe to improve their technical skills and update them on the new law dated 21 March 2022 called "Waserman Law" aiming at reinforcing the protection of whistleblowers.



2.4. RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES IMPLEMENTED BY THE COMPANY AND INSURANCE

2.4.1 RISK MANAGEMENT AND INTERNAL CONTROL DEFINITIONS AND OBJECTIVES

2.4.1.1 Adoption of the Principles of the AMF's ⁽¹⁾ Reference Framework for Risk Management and Internal Control Systems

For the purposes of this section, the Group complies with the principles outlined in Part II of the Risk Management and Internal Control Systems – Reference Framework updated in July 2010 by the Working Group chaired by Olivier Poupart-Lafarge and established by the AMF. This represents a partial adoption of the full text that also provides an *Application Guide* for Internal Control Procedures for the Accounting and Financial Information Published by the Issuer.

The related specific control activities are the responsibility of the local subsidiaries. Those subsidiaries continuously adapt them in response to current circumstances, drawing guidance from the Group Accounting and Controllers' Manuals. The *Application Guide* has not been formally compared to existing procedures and processes, but the Group does not expect material differences given the similarities between the *Application Guide* and these two manuals.

a) Risk management

Risk management is a continuously evolving system that looks to the Group's activities, processes and assets.

Risk management encompasses a set of resources, behaviors, procedures and actions that are tailored to the characteristics of the Company and that enable managers to keep the Group's risks at an acceptable level.

Risk represents the possibility of an event occurring that may affect:

- the Company's ability to achieve its business goals and core strategy;
- the Company's ability to abide by its values, ethics, laws and regulations;
- the Company's personnel, assets, environment or reputation.

Risk management also helps Company management to:

- create and preserve the Company's value, assets and reputation;
- safeguard decision-making and the Company's processes to achieve its objectives;

- ensure that the Company's actions are consistent with its values;
- mobilize the Company behind a shared vision of the main risks.

b) Internal control

The process also incorporates the definition of internal control as a Company-wide system, defined and implemented by the Company to ensure that:

- laws and regulations are complied with;
- the instructions and guidelines issued by Executive Management are followed;
- the Company's internal processes are working properly, particularly those involving the protection of its assets. Assets are understood to be both tangible and intangible (know-how, brand, image or reputation) and are used throughout existing Company processes;
- financial information is reliable.

In general, internal control contributes to:

- corporate oversight;
- the efficiency of its operations; and
- the efficient utilization of its resources.

The first objective refers to all applicable laws and regulations governing the Company and that are part and parcel of its daily activities to ensure compliance.

The second addresses the guidance given to staff to ensure they understand what is expected of them, and their scope of responsibility. This communication process is built around the Company's objectives, cascaded down to the team members.

The third objective covers all operational, industrial, commercial and financial processes.

The final objective relates to the preparation of reliable financial statements ⁽²⁾. The reliability of such information depends on the quality of the associated internal control procedures and system (see reporting procedures *Section 2.4.2.4 Internal Control procedures*) that should ensure:

- the segregation of duties principle, enabling a clear separation between input, operating and retention duties;
- that function descriptions provide guidance regarding the identification of the source of the information and materials produced;
- the ability to check that operations have been performed in accordance with general and specific instructions and have been accounted for to produce financial information that complies with relevant accounting standards.

(1) *Autorité des marchés financiers.*

(2) *These include full, interim and condensed financial statements and selected financial data derived from such statements, such as net sales releases.*



2.4.1.2 Scope of Risk Management and Internal Control

Risk management and internal control, as defined in this report, apply to SOCIÉTÉ BIC as Group parent company and all Group consolidated entities.

The internal controls in place have been designed for all entities to reflect:

- the existing organization;
- the objectives set out by the Board of Directors and the Executive Committee (see *Section 2.4.3 Risk Management and Internal Control Participants, Specific Structure(s) in Charge/ Respective Roles and Interactions*); and
- compliance with laws and regulations.

Supporting principles and systems have been set up in all relevant areas and subsidiaries, considering local specificities and regulations. These principles are also known to and followed by the various centralized Group departments.

The Risk Management principles also apply to any entity joining the Group. Whenever possible, the Group asks its subcontractors and suppliers to also comply with these principles. For instance, SOCIÉTÉ BIC asks its suppliers to follow the safety rules for team members that apply within the Group.

2.4.1.3 Limitations of Risk Management and Internal Control Systems

Even with the most efficient organization there are inherent limitations in risk management and internal control. Risk management and internal control systems cannot therefore provide an absolute guarantee that the Company's objectives will be met. The major existing limitations are outside developments and uncertainties, the subjective nature of people's decisions and potential human error.

Moreover, any time a control activity is to be implemented, the comparative cost/benefit must be considered, ensuring reasonable coverage of the necessary controls.

2.4.2 COMPONENTS OF RISK MANAGEMENT AND INTERNAL CONTROL OF THE COMPANY AND ITS SUBSIDIARIES

The effectiveness of risk management and internal control systems depends on the building blocks.

2.4.2.1 Control Environment

a) Organization

The Group has implemented a structured internal control system giving the appropriate guidelines and responsibilities to achieve the objectives laid down by the Board of Directors and Executive Committee. This organization is based on the definition of responsibilities and objectives by Management and then shared individually with team members.

b) Main Tools

Various tools have been put in place to support this structure and measure its effectiveness. Here is a list of the main tools shared by all Group entities:

- Code of Ethics (see *Section 2.4.3.6 Team Members*);
- Group Anti-Corruption Policy (see *Section 2.4.3.6 Team Members*);
- Group Vision and Values (see *Section 2.4.3.6 Team Members*);
- Group Accounting and Controllers' Manuals. These manuals, distributed to all entities and available on the Group intranet, provide guidelines on:
 - bookkeeping and financial reporting under IFRS, and
 - procedures to respect the internal control system throughout the Company (i.e., Purchasing, Treasury, Tax, Sales, etc.);
- Fraud Reporting Protocol: The purpose of the Fraud Reporting Protocol is to ensure that all suspicions of fraud or actual cases are reported in a timely, consistent and uniform manner and to coordinate the subsequent investigations. A fraud reporting template has been provided to all BIC subsidiaries;
- BIC Speak-up hotline (see *Section 2.4.3.6 Team Members*);
- Human Resources Management Policy:
 - see *Section 3.4. Our Social Responsibility*,
 - Human Resources Management plays a full part in the effectiveness of internal control,
 - in particular, it ensures that the recruitment process reflects the knowledge and skills needed by the Group. Furthermore, it communicates Management's objectives to each individual in accordance with their role and responsibilities,
 - for example, the Performance, Evaluation and Development (PED) tool was created to effectively achieve the following goals:
 - Cascading of the Company's objectives to the team members throughout the year,
 - Training and development: see *Section 3.4. Our Social Responsibility*;
- Information Systems: Various IT systems are used depending on the business processes they support. They are organized primarily by continent. However, consolidation procedures are in place to provide access to consolidated results that Group Management can use to monitor performance and manage operations.

Most BIC entities use fully integrated systems (ERP) to help manage the business and report financial data using consolidation and management software (see *Section 2.4.2.4 Internal Control Procedures*).

Continents and countries are in charge of implementing operating procedures to secure access, back-up and recovery of critical system data.



2.4.2.2 Dissemination of relevant and reliable information

The Company has implemented efficient information dissemination processes and systems that allow accurate communication to be shared with the appropriate level of responsibility and authority. The types of tools differ widely. They range from IT (Information Technology) solutions (including the Group intranet, the financial consolidation software, the integrated system implemented per continent, etc.) to existing procedures that encompass information management.

These information tools are designed to support the Company's overall internal control system and to help with decision-making and follow-up for the achievement of Management's objectives.

2.4.2.3 Risk Management Process

One of the goals of risk management is to address existing, evolving and emerging risks that may significantly impact the Company. It is not possible to address all risks. However, when addressed, the means used include a variety of internal and external mitigation processes and/or external insurance protection.

This specific process incorporates a three-step approach based on the following activities:

- risk identification and analysis;
- risk management and mitigation;
- risk monitoring.

a) Risk Identification and Analysis

The Group Risk Management Department uses the Enterprise Risk Management framework, Insurance Risk Management and Risk Advisory processes for the purposes of risk identification and analysis.

The identification process highlights the main risks arising from both external and internal sources. The key driver for identification is the potentially significant impact on the Company's strategy, objectives, personnel, assets, environment and reputation.

The Group Risk Management Department, as process coordinator, challenges whenever necessary the answers received and the action plans brought forward in response to the identified risks. It also consolidates the documents and weighs the impact as input for the Group Risk Matrix. This matrix provides the impact for BIC for all risk categories.

b) Risk Management and Mitigation

The Executive Committee manages the major risks identified in BIC's risk mapping. These risks are monitored during the year. Progress and status of action plans related to certain key risks have also been reviewed and discussed at Board Meetings. The other risks continue to be monitored.

In addition, there are a series of procedures (see *Section 2.4.2.4 Internal Control Procedures*). The Executive Committee, continents, and centralized Departments such as Legal, Sustainable Development or Treasury, monitor risks on an ongoing basis.

They are involved in managing risks:

- the Group Treasury manages and monitors interest rate exposure and foreign exchange exposure daily along with liquidity risk;
- the Legal Department regularly monitors changes to laws and regulations and ongoing litigation;
- the main industrial and environmental risks are considered by Management and the Sustainable Development Department;
- the Executive Committee manages the significant strategic and operational risks.

There is also a yearly review of the Insurance coverage process: see *Group Presentation – Section 2.4.4 Insurance – Coverage of Risk*.

c) Risk Monitoring

The Executive Committee performs regular reviews of risk exposure. Each site/department creates its own scorecards and key indicators to detect, follow and measure the effectiveness of risk mitigation.

In 2021, BIC established a centralized Enterprise Risk Management (ERM) program with focus on key risks treatment. The critical risks identified in 2019 have been re-assessed and are currently being monitored at the Executive Committee level lead by the ERM governance.

2.4.2.4 Internal Control Procedures

a) Internal Control Procedures Related to the Preparation of Accounting and Financial Information Published by the Company.

The accounting and financial information used internally by management, or for the purposes of external reporting, is prepared in compliance with the IFRS (International Financial Reporting Standards) as adopted by the European Union.

The information follows a bottom-up reporting process from the local statutory accounts to the consolidated and management financial statements. This reporting is done using consolidation software following each monthly closing.

The finance teams in each subsidiary, under the control of their respective Finance and Operations Directors, report to the business unit finance teams and then to the Group.

The local external auditors audit this package for the largest entities. Statutory auditors prepare memorandums and a summary of significant comments for the Group.

Cost controllers work closely with operations and report to local Management and functionally to the continent/category Finance Director.

The Group developed a Controllers' Manual of policies and internal procedures that was presented and communicated to Finance Directors in the subsidiaries. This review is ongoing, with key policies and procedures updated and validated by functional managers as required. When a new policy is established, or an existing policy updated or enhanced, the information is communicated and posted on the employee intranet and is also cascaded down to all subsidiaries by the Executive Committee.

The reporting procedures within the Group are as follows:

- the Group finance information system allows preparation of statutory consolidations and management consolidations within the same reference frame;
- the Group also uses a detailed sales reporting system. A monthly reconciliation is prepared between the sales reporting and financial information systems. Any meaningful variance is explained;
- the Group financial information system is used in all subsidiaries. This allows analysis at each reporting level (subsidiaries, continents, Group or by product category) starting from the same source data and using the same reporting format;
- the Group internal financial information is analyzed monthly and compared against the budget at subsidiary level. The Executive Committee also reviews the consolidated data and related analysis monthly;
- an analysis is done between the budget, forecasts and the strategic plan and is reviewed by the Executive committee;
- the Group Chief Financial Officer validates the consolidated financial information. Significant issues are reviewed with the Chairman of the Board and the Chief Executive Officer;
- the Audit Committee validates this information and provides the Board of Directors with a report if necessary;
- the external auditors are involved in the annual validation of the financial information production process.

The account closing process includes the following in particular:

- the fixing and circulation of accounting rules by Group Finance via the Group Accounting Manual;
- the preparation and sending of a calendar and instructions to the affiliates by the Consolidation Department at each monthly closing;
- the existence of a checklist with the corresponding tasks to be performed by the subsidiary for the account closing.

b) Other Internal Control Procedures

As already mentioned, internal control is decentralized within the Group. It is thus the responsibility of each organization (subsidiary, department, category, continent, etc.) to establish the relevant procedures in all relevant sectors to support the objectives and definition of internal control.

However, as a global framework, the Group Controllers Manual provides the general guidelines to be adopted, following adaptation, at the respective level of internal control.

The Group's main procedures are described below.

Purchasing and Capital Investment Procedures

Any commitment to purchase capital investments and goods and services is subject to an appropriate authorization process. The authorization is the key driver for the rest of the process, from acknowledgment of receipt of the purchased goods or service to

payment of vendors.

The Group has accordingly implemented an authorization matrix that identifies the level of responsibilities required in accordance with the amount to be committed. All authorizations must be formalized in the appropriate form or via the IT systems. The delegation of authority matrix is regularly updated to reflect changes to the Group's organization.

This approval process is the cornerstone of the three-way matching procedure applied within the Group. Starting with an approved purchase order, it requires that matching is performed at the following stages:

- upon delivery/provision of service with proof of delivery or completion;
- when receiving the supplier's invoice for the purposes of generating payment.

The three-way matching process ensures the segregation of duties principle is applied and allows clear tracking of the validity of transactions throughout the purchasing process.

In terms of capital expenditure, an additional step is required to green light the purchase. Prior to any investment, specific documentation is prepared to bring together all necessary information like description and return on investment, approvals to reflect the level of commitment and a post-acquisition audit schedule.

In terms of organization, attention is drawn to the segregation of the procurement function from purchasing. The goal is to mitigate any risk of overlapping responsibilities. This process also centralizes at Group level the procurement flows for strategic materials. This is intended to better control demand and the level of financial commitment.

Finally, vendor management, including the suppliers' database, also follows specific control procedures and rules throughout their relationship with the Group.

Selling Procedures

The selling procedures follow common rules and principles. They are nevertheless tailored for local markets and customers, based on the existing nature of transactions.

These common principles deal in particular with:

- the validity of selling prices and selling terms and conditions (price list set-up process, special pricing authorization schemes, etc.);
- the completeness and accuracy of the selling orders received through different channels;
- respect of recognition timing with an emphasis on cut-off processes and adjustment procedures;
- the fair value of trade receivables with procedures for bad debt reserve computation and credit note issuance.

Similar to relationships with suppliers, procedures deal with customers' master file management, including the creation of new accounts, the cash allocation process for payment receipts and credit management.



Inventory Management Procedures

The management of inventory covers physical custody of the goods, valuation of these items and monitoring of the related flows. The procedures in place thus address all these topics.

Regarding physical safeguarding, Group policies are provided on top of local regulations. They deal with:

- the safety objectives for the team members involved in inventory management;
- asset security with clear guidelines in terms of storage conditions, stock-take processes and segregation of duties.

In terms of valuation, a BIC costing procedure is in place to help local controllers follow Group rules as well as comply with local accounting and financial standards. The Group rules can be found in "Note 1 to the consolidated financial statements – Main Rules and Accounting Policies".

Cash Management Procedures

Mostly centralized within Group Treasury, some aspects of cash management are kept at local level. In both instances, procedures are in place to cover:

- cash balance and payment management including physical safeguards, the performance of bank reconciliations and supervision of segregation of duties;
- bank mandates and management of authorized signatures;
- debt financing – both short and long-term.

Centrally, the Group Treasury follows specific procedures regarding its investment portfolio and foreign exchange exposure management.

Fixed Asset Management Procedures

As indicated above, asset security is a top internal control priority with relevant procedures in place within the Group.

With it being essential to ensure that assets actually exist, local sites are instructed to do regular physical inventories and reconcile them with the financial systems.

In addition to the aforementioned investment authorization process, there are dedicated procedures for all fixed asset movements (*i.e.*, transfers, disposal and sales).

Finally, specific rules are required for the management of the Fixed Asset Registers to support compliance with both local and Group accounting standards and to permit efficient control activities.

2.4.2.5 Control activities

All Group levels are involved in control activities to ensure that Group rules, guidelines and procedures are properly applied.

Moreover, the Internal Control & Audit Department ensures through its annual audit plan that there is no material discrepancy with Group procedures.

This control covers both operational and financial environments and focuses on:

- the validity of operations and transactions, including the authorization processes for expenditure and investment;
- completeness of transaction reporting;
- proper evaluation and recognition of transactions for accurate information availability and disclosure.

2.4.3 RISK MANAGEMENT AND INTERNAL CONTROL PARTICIPANTS, SPECIFIC STRUCTURE(S) IN CHARGE/RESPECTIVE ROLES AND INTERACTIONS

2.4.3.1 The Board of Directors

The Board of Directors of SOCIÉTÉ BIC, which represents the Shareholders, always acts in the Company's interests. It must also review and approve the Company's strategic objectives.

2.4.3.2 The Executive Committee

The BIC Executive Committee consists of a team of leaders who meets regularly and works closely with Gonzalve BICH, Chief Executive Officer, to set the Group's long-term vision and strategy for profitable growth. Its members are:

- Thomas Brette: Group Partnerships & New Business Officer.
- François Clement-Grandcourt: Group Lighter General Manager;
- Gary Horsfield: Group Supply Chain Officer;
- Sara LaPorta: Global Strategy and Business Development;
- Mallory Martino: Chief Human Resources Officer;
- Elizabeth Maul: Group Insights, Innovation and Sustainability Officer;
- Charles Morgan: Chief Administrative Officer;
- Chad Spooner: Chief Financial Officer;
- Chester Twigg: Group Commercial Officer;
- Esther Wick: Group General Counsel.

This structure allows BIC to benefit from the collective experience and expertise of this group of talented leaders and realize its growth potential. Whenever greater depth or breadth of knowledge and expertise is called for, the Executive Committee will also now have access to the views of an extended Leadership Team.

The Group Supply Chain Officer and the Group Insights and Innovation Officer are directly responsible for Manufacturing, New Product Development, Research and Quality Assurance.

The Executive Committee also monitors the strength of internal control processes and the implementation of risk coverage. It also ensures, with the support of the Group Chief Financial Officer, that indicators:

- are consolidated to measure operational performance *versus* the budget; and, if necessary
- focus on variances and any corrective measures that may be necessary.

In addition to the budget, forecasts are prepared and revised during the year to monitor budget achievement and get insights into any current marketplace dynamics. A strategic planning process is in place to help identify future growth opportunities.

2.4.3.3 The Audit Committee

The Audit Committee (see Section 4.1.4.3 *Committees set up by the Board of Directors*), as part of its remit to support the CEO, regularly monitors the risk management and internal control systems. The Committee can interview the Internal Audit Director for updates on the work done during the year and can give its opinion on the department's organization. A summary of internal audit findings is shared with the Committee annually.

2.4.3.4 The Internal Control & Audit (IC&A) Department

The Internal Control and Audit Department reports operationally to the Chief Financial Officer and, upon request, to the Executive Committee and the Audit Committee.

This department reviews both financial and operational activities and provides an independent assessment of the level of compliance with the Group's policies, rules and procedures. The IC&A Department focuses on:

- business cycle and process reviews ⁽¹⁾ at both subsidiary and Corporate level;
- testing of existing controls to ensure effectiveness and efficiency;
- coordination with functional managers on the ongoing updating of the Controllers' Manual;
- issuance of guidance and recommendations to improve existing processes, including sharing of Group best practices.

The IC&A Department also:

- assists with timely and specific engagements, such as external acquisitions and internal restructuring;
- provides assistance on fraud prevention, awareness and any investigations into reported fraud within the Group;
- looks at Group information systems through reviews of Information Technology accesses and business continuity procedures;
- presents an annual audit schedule to the external auditors, provides updates and shares site review findings;
- coordinates site reviews with Group Finance and the external auditors to ensure coverage of any specific areas.

a) The IC&A Department's Work in 2022

A multi-year audit rotation schedule is in place to ensure that all major sites and key processes are reviewed on average every five years. The 2022 schedule saw the IC&A Department do four audits in manufacturing and distribution entities, combining initial and follow-up visits and investigations.

These audits were done in line with the methodology and procedures established by the IC&A Department, This included in particular:

- performance of tests (walkthroughs and detailed testing) and interviews with the contributors to the cycles reviewed on a risk-based approach;
- the issuance of a post-audit report, listing recommended improvements for the site/department, with a clear action plan and deadlines. The IC&A report is an excellent communications tool and plays an important role in the ongoing improvement of controls within the Group.

No significant issue was identified as a result of these audits. The audit findings highlighted necessary improvements to make certain controls more effective. Local Management has shared its response to these recommendations and proposed action plans, together with the related implementation dates and who is responsible for their implementation. These implementations have been checked during follow-up visits by the IC&A Department.

Furthermore, quarterly follow-up of action plans allows for efficient monitoring of progress on recommendations on key audit matters. Dashboards are shared quarterly with the representatives of the continents and categories. Finally, best internal control practices identified during these reviews are shared within the Group.

The IC&A Department collects the data reported by subsidiaries and does analyses to enhance the risk-based approach used to establish the annual audit plan and undertake audit work. The results will be shared with Group Statutory Auditors and the Audit Committee.

A summary of the work done by the IC&A Department during the year is presented to the Executive Committee and the Audit Committee. This includes an overview of the main audit findings and recommendations, as well as a summary of the risk analysis and progress on action plans.

b) Outlook and Action Plan for 2023

The IC&A Department will continue to focus on:

- process and efficiency improvements;
- testing of operational effectiveness of key controls; and
- enhancing the overall review process.

The annual audit schedule, prepared by the IC&A Department and approved by the Audit Committee and the Executive Committee, satisfies the multi-year rotation principle for site and process reviews.

2

(1) Such as sales and collection, purchasing and disbursements, fixed assets, inventories, payroll, cash management, and accounting entry processing.



2.4.3.5 The Risk Management Department

The Group Risk Management Department reports to the Chief Financial Officer. Its mission is to foster stronger risk capabilities and culture to protect the company's assets and support BIC's strategy. Group Risk Management is responsible for:

- the Enterprise Risk Management framework;
- the Insurance Risk Management Program; and
- providing Risk Advisory to the organization.

Enterprise Risk Management is a framework encompassing processes, capabilities and culture within the organization to:

- identify, assess, mitigate, monitor and manage potential enterprise-wide non-routine risks;
- while strengthening the company's ability to achieve its strategic objectives.

Insurance Risk Management is the practice of identifying and analyzing loss exposures and taking steps to minimize the financial impact by transferring them using insurance and preventive risk management practices.

Risk Advisory is designed to ensure decision-making aligns with risk appetite and tolerance and to further enhance business resiliency.

In the course of the above work, Group Risk Management also coordinates risk monitoring in tandem with the Executive Committee.

2.4.3.6 Team members

All team members are involved in internal control processes and risk management activities in line with their respective knowledge and scope of work. They have access to information used to design, operate and monitor the internal control system. The Group Internal Control Policies, including the Group Controllers' Manual, are available online for team members with access to the Group Intranet.

To strengthen the commitment of all team members to internal control, the Group's values are posted at all Group locations so that all team members have access to them.

In 2022, the Company invested in the Qualtrics tool – a best-in-class survey tool with relevant benchmark information. The pulse surveys and engagement surveys that are run in this tool allow us to continue to measure multiple aspects of engagement and adherence to our values. In the latest survey run in 2022, employee engagement was favorably assessed at 75%, representing strong engagement at 1% above the market norm. Significant drivers of overall engagement focused on the favorable assessment of willingness to stay with BIC and

recommending BIC as a good place to work.

With 83% of team members surveyed expressing their pride to work for BIC, 76% of those surveyed believe BIC is a diverse and inclusive work environment, which positions the company almost 3 points above the market benchmark.

The questions on values received broadly very favorable responses and were specifically strong with respect to responsibility and ethics.

The Group Code of Ethics is available to all team members on the Group Intranet.

A Group Anti-Corruption Policy is available to all team members on the Group Intranet. This states that the Group prohibits all forms of bribery and corruption and upholds our reputation for integrity.

The Group offers a hotline service called "BIC Speak-up", accessible from BIC's intranet and websites. It provides an alternative channel for team members to disclose concerns confidentially and anonymously. It is designed to provide effective lines of communication for team members and empowers BIC to promote safety, security and ethical behavior.

A Charter of diversity is shared by all entities :

- to help prevent discrimination in the workplace; and
- to continually improving and educating team members on the importance of diversity.

2.4.4 INSURANCE – COVERAGE OF RISKS

2.4.4.1 Insurance

BIC Group uses insurance as a means of transferring its major risks to the insurance marketplace. This is done through a series of insurance policies arranged with reputable insurers. This transfer operates on two tiers:

- global Insurance Program, which covers all Group affiliates, except where legally prohibited; and
- local policies to address compulsory insurance where required.

Furthermore, some local affiliates may have additional insurance for special and/or specific needs.

The Group's global insurance program is intended to provide a uniformly high level of risk management and insurance protection for all BIC operating entities. This policy should help protect assets and hence revenue from risks that may be insurable or controllable.

BIC Group maintains the following main international insurance programs:

- liability insurance including risks related to products. This covers losses from third-party claims of bodily injury and property damage, including operational and product liability;
- environmental Impairment Liability insurance related to gradual pollution and accidental pollution;
- property Damage and Business Interruption insurance. This covers risks of loss due to fire, explosion, water damage and other natural disasters;
- goods-in-Transit insurance covering loss or theft of goods and/or products during shipment;
- crime insurance related to the risks of fraud, theft and falsification;
- employment Practices Liability insurance covering alleged discrimination, wrongful termination and sexual harassment.

As a general rule, coverage is based upon a replacement cost valuation of the insured property and business disruption costs. Some coverage may, however, be capped and/or sub-limited as to total payouts under the terms of the policy.

BIC Group also has other types of insurance in line with legal requirements in the countries in which it operates.

The overall cost of Group insurance programs with third-party insurers was estimated to be around 9.0 million euros in 2022.

2.4.4.2 Self-Insurance

Self-insured or retained risks are also held by BIC Group. This is typically in the form of insurance policy deductibles, retentions, or other uninsured exposures that may not be insurable in the traditional marketplace.

In the U.S., BIC Corporation has a wholly owned captive insurance company, SLS Insurance Company Limited (SLS), covering specific risks in the U.S. These include:

- Commercial General Liability and Products Liability coverage for alleged third-party bodily injury and property damage;
- DIC/DIL providing Difference in Conditions/Difference in Limits insurance to supplement certain other traditional insurance policy coverage and/or deductibles;
- Medical Stop Loss coverage relating to the employee benefits health program;
- TRIA (Terrorism Risk Insurance Act) NBCR (Nuclear, Biological, Chemical, and Radiological Terrorism).

The other Group entities are insured under traditional insurance programs.



2

RISK MANAGEMENT



NON-FINANCIAL PERFORMANCE STATEMENT: SUSTAINABLE RESPONSIBILITY

3.1. STRATEGY AND BUSINESS MODEL OVERVIEW [NFPS]	71
3.1.1 Strategy and business model [NFPS]	71
3.1.2 Governance [NFPS]	83
3.1.3 Main CSR risks and opportunities [NFPS]	84
3.2. ENVIRONMENT [NFPS]	85
3.2.1 Climate [NFPS]	85
3.2.2 Pollution and water [NFPS]	95
3.2.3 Circular economy and waste [NFPS]	98
3.3. SOCIAL [NFPS]	107
3.3.1 Our Workforce	107
3.3.2 Workers in the value chain [NFPS]	120
3.3.3 Communities	123
3.3.4 Customers and consumers expectations and product safety [NFPS]	127
3.4. ETHICS AND BUSINESS CONDUCT [NFPS]	132
3.4.1 Risks [NFPS]	132
3.4.2 Policies, actions taken, results and outlook [NFPS]	132
3.5. MILESTONES [NFPS]	134
3.5.1 Summary table of the non-financial performance statement [NFPS]	134
3.5.2 Non-financial ratings	136
3.5.3 Perimeter and selection of indicators	136
3.5.4 Indicator table	140
3.5.5 Taxonomy Annex I, II and III	144
3.5.6 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement	150



BIC'S sustainability reporting general characteristics

For convenience please see below the items required by French executive order No. 2017-1265 of August 9, 2017⁽¹⁾ in the following chapters of BIC's management report:

Business Model	BIC's business model is presented in Section 3.1.1.6 Our Business model page 80-81
Major Risks	Major risks for BIC are also discussed in Chapter 2.1.
CSR Risks	The CSR risks identified under the Non-Financial Performance Statement (NFPS) are listed and described in Section 3.1.3
Chapter 3	<p>This chapter provides:</p> <ul style="list-style-type: none"> • a description of the sustainable development challenges in the introduction to each section; • the risks identified in the Non-Financial Performance Statement and the related opportunities in the "Risks and Opportunities" sections; • a description of the policies and actions in place under the "Policies, actions taken, results and outlook" sections. <p>These include due diligence work to identify, prevent and reduce the frequency of risks or to take the opportunities identified. Also included are the results of these policies, including key performance indicators and, where applicable, the relevant outlook.</p>

In 2020, BIC released its first Climate-Related Performance Report in keeping with the guidelines proposed by the Task Force on Climate-related Financial Disclosure (TCFD). This report is now part of Section 3.2.1. Consequently, this section follows the headings suggested by the TCFD.

BIC identifies information expressly required in the Non-Financial Performance Statement with the initials [NFPS] and [NFPS Risk X]. The Group also includes all the action plans related to its Sustainable Development Program including those that do not directly help prevent or reduce a major risk. The

Group has, however, reorganized this chapter to prioritize the information directly relating to the Non-Financial Performance Statement.

In 2022, BIC decided to adjust its current Non-Financial Performance Statement structure to meet the upcoming Corporate Sustainability Reporting Directive's (CSRD) Sustainability reporting standards.

A summary table of the Non-Financial Performance Statement can also be found in Section 3.5.1.

Main CSR risks and opportunities are outlined in Section 3.1.3.

(1) For the purposes of applying Decree No. 2017-1180 dated July 19, 2017 on the disclosure of non-financial information by certain large companies and corporate groups.

3.1. STRATEGY AND BUSINESS MODEL OVERVIEW [NFPS]

Sustainability is deeply rooted in BIC's Values and is an integral part of its day-to-day operations. For over 20 years, it has played a fundamental role in guiding BIC's strategy, especially its social and societal actions.

In keeping with its core mission, the Group's ambition is to ensure that it has a limited impact on the environment and society, while making a meaningful contribution to the consumers and team members' lives as well as the long-term well being of our planet.

In its "Writing the Future, Together" program, BIC seeks to build on its long-standing sustainable development efforts and to bolster its engagement by pledging to five commitments for the 2018 to 2025 period (see Section 3.1.1.3).

3.1.1 STRATEGY AND BUSINESS MODEL [NFPS]

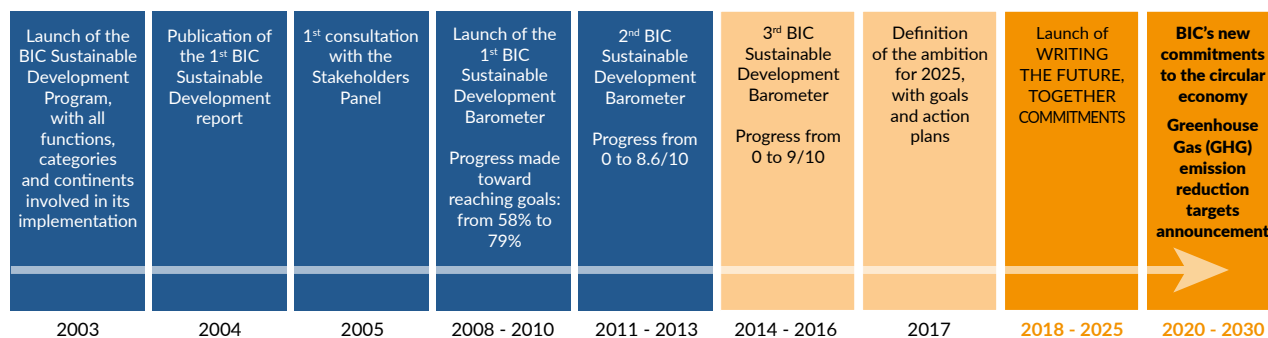
3.1.1.1 The history of BIC's Sustainable Development Program

Launched in 2003, BIC's Sustainable Development Program continues to evolve and address major environmental and human issues as well as stakeholder expectations. It also benefits from advances in R&D, innovation, and evolutions in the Group's operations.

This exhaustive program encompasses all key sustainability issues as well as related risks⁽¹⁾ that BIC must address to fulfil its Corporate Responsibilities. A unique reporting system is used to monitor the Group's performance for continual improvement.

Since 2018, the program has been guided by the five ambitious commitments that make up "Writing the Future, Together". In 2020, this program was reinforced with additional commitments that will fundamentally transform the way the Group uses plastic. Furthermore, in 2022, BIC announced its Greenhouse Gas (GHG) emission reduction targets, taking the Group a step further in its consumer-centric approach, grounded in Sustainable Innovation, to respond faster and more impactfully to consumer demands and the important topics of this generation.

Through its Sustainable Development Program, the Group also contributes to the United Nations (UN) Sustainable Development Goals (see Section 3.1.1.5).



(1) The main CSR risks related to the activities and use of BIC's goods and services are presented in the Chapter "Risks management" on page 46.



3.1.1.2 BIC's ambition

"At BIC, we believe in providing simple, inventive, reliable choices for everyone, everywhere, every time. And we believe in doing so responsibly with the planet, society and future generations in mind.

Our approach to sustainability is one of our Values and is an integral part of our day-to-day operations. Staying true to our philosophy of honoring the past and inventing the future, we want our ongoing commitment to sustainable development to be long-lasting and far-reaching.

Our ambition is to ensure that we limit our impact on the planet and make a meaningful contribution to the lives of our employees and society over the long term, simply because it is the right thing to do.

To shape our business tomorrow and ensure we create a sustainable future for all we believe it is essential to:

- promote sustainable innovation in our products;
- act against climate change;
- provide our team members with a safe workplace;
- make our supply chain more responsible; and
- reinforce our commitment to education."

3.1.1.3 Writing the Future, Together, a commitment for 2025

In 2017, BIC defined ambitious commitments that enable the Group to create value over the long-term for the benefit of all stakeholders. This effort is based on the principles of its Sustainable Development Program, namely assessing the materiality of the issues and incorporating the UN Sustainable Development Goals. It also takes into account regulatory

requirements and consultations with stakeholders, as well as lessons drawn from regular benchmarking.

The vision defined is set out in "Writing the Future, Together," driven by BIC's ambition for sustainability (see Section 3.1.1.2) and comprises five commitments which are an integral part of the Group's strategic *Horizon* plan.



WRITING THE FUTURE, TOGETHER – THE COMMITMENTS

#1 Fostering sustainable innovation in BIC® products (SDG 3, 6, 8, 12, 14, 15):

- by 2025, the environmental and/or societal footprint of BIC® products will be improved (SDG 3, 6, 8, 12);
- by 2030, BIC aims for 50% use of non-virgin petroleum plastic in its products, and 20% by 2025 (SDG 14, 15);
- by 2025, BIC will use 100% reusable, recyclable or compostable plastic packaging (SDG 14, 15).

#2 Acting against climate change: By 2025, BIC will use 100% renewable electricity (SDG 7, 8, 9, 12, 13).

#3 Committing to a safe work environment: By 2025, BIC is aiming for zero accidents across all operations (SDG 3, 8).

#4 Proactively involving suppliers: By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing (SDG 8, 12, 16).

#5 Improving lives through education: By 2025, BIC will improve learning conditions for 250 million children globally (SDG 1, 4, 5, 6, 8, 13).



FLAME FOR LIFE SUSTAINABILITY PROGRAM – SPEARHEADING SUSTAINABLE INNOVATION

Fully aligned with “Writing the Future, Together”, the Flame for Life division’s Sustainable Development program is driven by innovation and exploration. Its approach is based on the following principles:

- adopting a science-based approach;
- exploring new avenues and questioning all options;
- improving practices through pilot projects;
- considering social and environmental impacts;
- promoting open dialogues and partnerships;
- transparency.




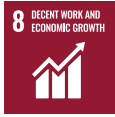



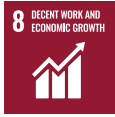









The transformation of internal practices is carried out at each stage of the life cycle. This approach allows BIC to address three major issues: climate change, resource depletion and a decrease in plastic pollution. In addition, the Group has launched pilot projects to support some of its suppliers in improving their CSR approach.

The Flame for Life sustainability program was created through pilot projects. They evolve as feedback is received and, when satisfactory scalable results are obtained. One of the program key achievements is the design of the BIC® Maxi Ecolutions® lighter, whose components were reviewed to see which ones had the most impact and improved by using recycled or bio-based materials and avoiding certain dyes. This range is manufactured in a factory supplied with 100% renewable electricity.



3.1.1.4 Writing the Future, Together – Progress chart [NFPS]

WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)				
	<p>By 2025, the environmental and/or societal footprint of BIC® products will be improved.</p> <p>By 2030, BIC aims for 50% non-virgin petroleum plastic in its products, with a goal of 20% by 2025.</p> <p>By 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.</p>	<p>100% of new products manufactured by BIC are subject to environmental and societal measurement thanks to the systematic usage of EMA^(c).</p> <p>3 products were improved in 2022.</p> <p>A version of EMA^(c) for packaging is employed to have a complete performance of the final product.</p>	<ul style="list-style-type: none"> • 5.7% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 70% of reusable, recyclable or compostable plastic in consumer packaging. • 54.7% recycled content of plastic packaging. • 96.2% PVC-free packaging. • 97.7% of BIC cardboard packaging comes from a certified and/or recycled source. • 16 BIC® products with the <i>NF Environnement</i> ecolabel. • At end-2022, over 73,3 million pens collected through TerraCycle. • 34 alternative materials tested. 	3.2.3		<p>[NFPS Risk 3]: risks related to product safety and consumer health & safety.</p> <p>[NFPS Risk 1]: risks related to plastics.</p> <p>[NFPS Risk 2]: risks related to climate change.</p>				
										
										
										
										
										



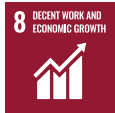



(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

(c) Environmentally & socially Measurable Advantage.



WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, BIC will use 100% renewable electricity.	76% of electricity comes from renewable sources.	BIC's use of renewable electricity is part of a comprehensive energy approach that also encompasses energy efficiency in operations. 21 energy efficiency projects were launched in 2022 of which 12 were completed during the year. The projects included light bulb replacement with LED bulbs, processes optimization, energy studies and new energy efficient equipment installation. In terms of energy efficiency, the Group continues to progress. Over the last 10 years, energy consumption per ton of products has decreased by 10.5%. Slight decrease in renewable electricity due to an increase in electricity consumption from factories that have yet to employ renewable sources (Cello, Kenya, Bizerte and Nigeria).	3.2.1		[NFPS Risk 2]: risks related to climate change. [NFPS Risk 1]: risks related to plastics.
						
						
						
						






(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.




WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2022	Other factors: approach and performance	Section	UN SDG ^(a)	Issues and risks addressed ^(b)
	By 2025, BIC aims for zero accidents across all operations.	The Health-Safety approach roll-out continues within the whole Group.	<p>Identification of two key focus areas to achieve the Zero Lost Time Incidents target by 2025:</p> <ul style="list-style-type: none"> • setting up machine safety level thresholds across all sites, and; • increasing the safety culture maturity among our team members. <p>Update of the Group's EH&S policy, signed by the CEO and shared to all facilities.</p> <p>Organization of safety days to engage and train team members on EH&S topics</p> <ul style="list-style-type: none"> • 60 lost time incidents for permanent and fixed-term employees and 10 lost time incidents for external temporary workers. • 2.09 on-site lost time incidence rate – BIC workforce. • 0.10 severity rate of on-site lost time incidents-per thousand hours worked – BIC permanent and fixed-term employees. • 50 facilities with 0 lost time incidents. 	3.3.1.3	 	[NFPS Risk 4]: risks related to the health and safety of team members.

(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

WRITING THE FUTURE, TOGETHER

	5 commitments	Progress as of Dec. 2022	Other factors: approach and performance	Section	UN SDG(a)	Issues and risks addressed(b)
	<p>By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.</p>	<p>By the end of 2022, 65.5% of strategic suppliers integrated the responsible purchasing program(d).</p>	<p>ESG evaluations (EcoVadis tool) of strategic suppliers since 2011. Implementation of innovative new tools such as:</p> <ul style="list-style-type: none"> • Buy4BIC global procurement platform; • PowerBI for sustainable procurement activities and actions reporting; • the design of a procurement digital ecosystem integrating sustainable procurement tools (ex. Ecovadis, CO₂ measuring tools) with Buy4BIC modules. <p>Mandatory responsible purchasing training program for buyers through a new training platform which will offer in 2023 a new training module on sustainable procurement.</p>	<p>3.3.2</p>	  	<p>[NFPS Risk 5]: risks related to non-respect of Human Rights (child labor, ILO(e)'s international conventions).</p>
	<p>By 2025, BIC will improve learning conditions for 250 million children globally.</p>	<p>Learning conditions for over 187 million children have been improved since 2018 through direct actions with children or with teachers and parents.</p>	<p>Development of activity sheets and workshops for teachers such as motor development, coding, sustainable development and writing exercises.</p> <p>Promoting education among the communities in need through the Global Education Week. This event has grown into one of the Group's largest corporate giving initiatives.</p> <p>Activities and workshops in schools such as awareness raising on the importance of education and writing, creativity, production of texts or thematic coloring contests for younger children.</p> <p>64% of philanthropic contributions (product or financial donations, skills) by local entities for local communities or by the BIC Corporate Foundation promote education (67% in financial value)(c).</p>	<p>3.3.3</p>	     	



(a) UN Sustainable Development Goals.

(b) Risks identified within the framework of the NFPS.

(c) This indicator includes all educational sponsorship, even that done as part of commitment #5.

(d) Excluding BIC Graphic, new acquisition and certain Original Equipment Manufacturers (OEM).

(e) International Labour Organization



3.1.1.5 BIC contributes to the UN Sustainable Development Goals (SDGs) through its "Writing the Future, Together" commitments



GOALS SUSTAINABLE DEVELOPMENT



<p>#1 Fostering sustainable innovation in BIC® products</p>	<p>By 2025, the environmental and/or societal footprint of BIC® products will be improved.</p>
<p>#2 Acting against climate change</p>	<p>By 2025, BIC will use 100% renewable electricity.</p>
<p>#3 Committing to a safe work environment</p>	<p>By 2025, BIC aims for zero accidents across all operations.</p>
<p>#4 Proactively involving suppliers</p>	<p>By 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.</p>
<p>#5 Improving lives through education</p>	<p>By 2025, BIC will improve learning conditions for 250 million children, globally.</p>

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
#1			x			x		x				x		x	x		
#2								x	x	x			x	x			
#3			x								x						
#4									x					x			x
#5	x			x	x	x		x									x



The table shown above charts how “Writing the Future, Together” contributes to the UN SDGs. The Group primarily contributes to the two SDGs below, mainly through the products it manufactures and markets, and through its monitoring and compliance program, which ensures that its products are safe and comply with health and environmental standards (see Section 3.3.4).

SDG 8. Decent work and economic growth. BIC contributes through the development of products and production modes that favor the efficient use of resources, including recycled materials (see Section 3.2.3.2).

SDG 12. Responsible consumption and production. BIC contributes through the Company’s eco-design program, which provides consumers with information to help them make their purchasing choices.

Furthermore, the Group contributes to the following UN Sustainable Development Goals within the direct scope of its operations or its sphere of direct influence:

SDG 1. End poverty;

SDG 3. Good health and well-being;

SDG 4. Quality education;

SDG 5. Gender equality;

SDG 6. Clean water and sanitation;

SDG 7. Affordable and clean energy;

SDG 9. Industry, innovation and infrastructure;

SDG 10. Reduced inequalities;

SDG 13. Climate action;

SDG 14. Life below water;

SDG 15. Life on land;

SDG 16. Peace, justice and strong institutions.

The Group contributes by:

- making simple, reliable products that meet essential needs available to everyone;
- undertaking initiatives that provide support for its team members;
- offering various products and programs to promote access to education;
- reducing the environmental impact of its factories;
- ensuring respect for Human Rights in its own factories and by its suppliers and subcontractors; and
- through the actions of the BIC Corporate Foundation.



● RESOURCES

Team members: the key to our success

To support growth and development, we continuously reinforce our teams' skills and capabilities by providing customized training programs and opportunities for career development. BIC has also developed a strong Diversity, Equity & Inclusion program.

15,898 workforce⁽¹⁾
547.5 million euros payroll costs
16,238 training days

State-of-the-art and responsible production

We use a state-of-the-art production line while reducing the environmental footprint of BIC factories and protecting our employees' health.

24 factories on 4 continents
92% of Net Sales from products
manufactured in BIC factories

Sustainable procurement strategy

Through our Responsible Procurement Strategy, we strive to minimize the environmental impact of BIC® products.

1,236.5 million euros purchases of raw
materials, consumables and services
330 strategic suppliers

Solid financial foundation

Through sound cash management and a strong balance sheet, we ensure access to the capital needed to finance innovation, operations, and enhance growth.

1,876.3 million euros Shareholder Equity
300.0 million euros Net Cash
from Operating Activities
359.9 million euros of Net Cash Position

Innovation

True to our culture of innovation, we maintain a sharp focus on developing new, innovative, environmentally-friendly products.

311 patents granted at the end of 2022
1.1% of Net Sales invested in R&D

(1) BIC workforce includes permanent employees, fixed-term contracts and agency temporary staff.

Sustainability

Acting on our "just what's necessary" philosophy to reduce our environmental impact

● HORIZON STRATEGY to ensure long-term profitable growth

Expand total addressable
markets in fast growing
segments, and apply
enhanced commercial
execution

Leverage innovation
capabilities and
global manufacturing
excellence

Capitalize on BIC's
consumer-centric
brands and market reach

Consumer Trends

Desire for authenticity,
individuality and
creative expression



Committed to a safe work environment, and promoting diversity, equity and inclusion

Create long-term value for all stakeholders

● VALUE CREATION

Well-being and security at work

We strive to ensure that everyday tasks are fulfilling and safe.

70⁽¹⁾ work accidents
1.52% rate of absenteeism

Reduced environmental footprint

We reduced our footprint from a product's creation through to the end of its lifecycle, including a recycling strategy and controlling emissions from BIC's factories and headquarters.

-19.1% water consumption⁽²⁾
-4.7% energy consumption⁽²⁾
-2.2% waste production⁽²⁾
-18.1% greenhouse gas emissions (scope 1 & 2 location based)⁽²⁾
-0.6% greenhouse gas emissions (scope 3)⁽²⁾ per ton of production between 2021 and 2022.

Long-lasting products

We innovate to respond to consumer needs and create high-quality, safe, affordable, essential products trusted by everyone.

More than 2 km of writing for a BIC® Cristal®
3,000 constant flames for a BIC® Maxi Lighter
Up to 17 days of shaving with the BIC® Flex 3

Long-term profitable growth

We remain committed to ensuring financial value creation and sustainable returns to shareholders.

2,233.9 million euros Net Sales
208.9 million euros Net Income
96.3 million euros Capital Expenditure
134 million euros of return to shareholders
203.7 million euros Free Cash Flow

Education as a priority

We are committed to improving learning conditions for children around the world.

90 philanthropic projects supported
187 million children have benefited from improved learning conditions since 2018
900,000 euros invested in philanthropic projects



HUMAN EXPRESSION

OUR VISION

Bring simplicity and joy to everyday life

BLADE EXCELLENCE

FLAME FOR LIFE

Acceleration of online consumption

Demand for eco-responsible products



3.1.1.7 Stakeholders' views, interests and expectations

Listening to investors and Shareholders

BIC's stakeholders' engagement strategy is executed by the Head of Investors Relations and BIC's management. The strategy's objective is to establish and strengthen relationships with financial investors and multi-stakeholder initiatives by regularly participating in ESG conferences, roadshows and webinars. This strategy serves to anticipate stakeholders' expectations and identify future collaborations as well.

In 2022, the stakeholder engagement strategy's key milestones included:

- UN Global Compact Communication on Progress submission;
- French Climate pledge renewal;
- ranking fifth in the Labrador Transparency Awards which reward the Company's communications in terms of transparency and quality; and
- inclusion in Axylia's 2022 Vérité40⁽¹⁾ (Truth Index 40), affirming the Company's ability to cover its "CO₂ bill".

In addition, year-on-year, BIC fulfils its commitment to answer questions from the following non-financial ratings agencies:

Vigeo, Sustainalytics, MSCI, GAIA, FTSE, ISS ESG.

2022 results include⁽²⁾:

- AAA MSCI rating;
- achieving the "Prime" ISS ESG Corporate rating; and
- ISS ESG 1 Quality in the Environmental Category.

Double materiality assessment

In 2022, BIC continued its materiality matrix update by incorporating the double materiality aspect to this assessment. The results from this double materiality matrix will inform the Group's sustainability disclosures in the years to come in compliance with the upcoming Corporate Sustainability Reporting Directive.

(1) The Axylia Carbon® Score assesses a company's ability to pay its theoretical Carbon bill. The Carbon bill (CO₂ emissions x Carbon cost) is deducted from the company's EBITDA, leading to a "Carbon-adjusted" EBITDA, which measures the ability of the company to remain profitable (A, B, C) or not (D, E, F) once its theoretical Carbon bill is deducted. BIC was awarded a B score in 2022 and included into to the "2022 Verité 40" Carbon Score Index.

(2) Visit <https://investors.bic.com/en-us/esg/notation-extra-financiere> for more information.



3.1.2 GOVERNANCE [NFPS]

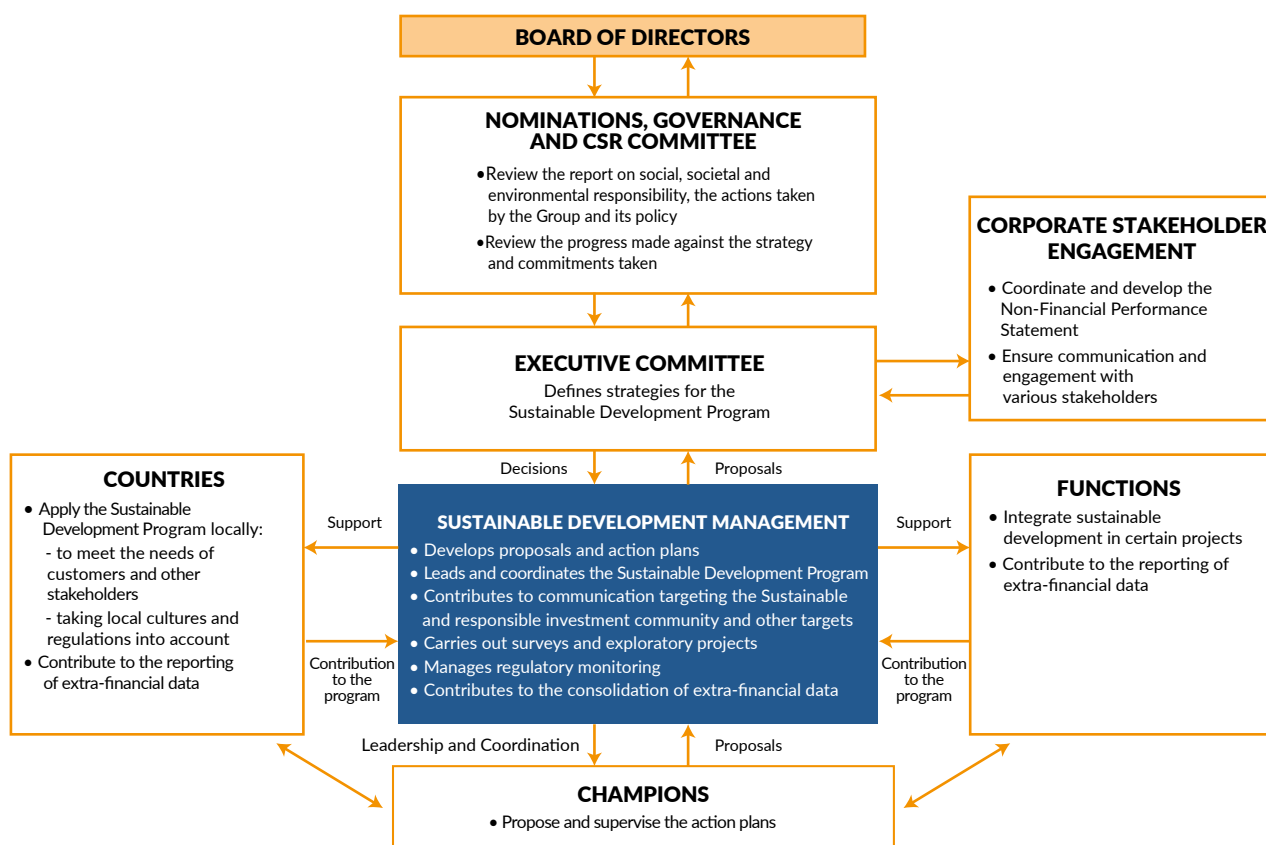
3.1.2.1 Sustainable development as a key factor in the decision-making process

Sustainable development is incorporated into the Company's decision-making process from the perspective of risks to be controlled and opportunities to be explored. Topics related to sustainable development are regularly discussed and executed at Executive Committee meetings. These in particular include:

- issues concerning plastic;
- the "Writing the Future, Together" program;
- the development of responsible products (see Section 3.2.3); and
- progress reviews of other sustainable development efforts (responsible communication, emerging issues, etc.).

The Sustainable Development Program's goals and progress are presented to the Board of Directors at least once a year and at the Annual Shareholders' Meeting. In 2022, the Board reviewed the progress of "Writing the Future, Together" commitments. In addition, the Audit Committee is kept abreast of the policies and programs implemented.

Since 2017, the Nominations, Governance and Corporate Social Responsibility (CSR) Committee reviews the actions taken by the Group as part of its Sustainable Development Program. It also monitors the implementation of the "Writing the Future, Together" strategy as well as the Group's progress on responsible innovation, circular economy and the development of new responsible products.



Sustainable Development organization

BIC's Sustainable Development Department is part of the Group Insights & Innovation (GI&I) and Sustainability division. Its focus is on products and innovation. The Sustainable Development Department, while continuing to pursue transversal missions, also works closely with the innovation and product design teams. This provides ongoing support to help facilitate responsible innovation and speed improvements in the carbon footprint and/or societal impact of products.

In 2021, a Group Insight, Innovation & Sustainability Officer was nominated to the Executive Committee. This person leads Sustainability and Market & Consumer Insights, Research & Development, Brand & Portfolio Management, and Intellectual

Property (IP) Innovation teams, in addition to GI&I, HR, Finance and Innovation Program Management. This officer guides these teams to create new tools and ways of thinking to drive innovation and sustainability.

The Brand and Sustainable Development Director who oversees all Sustainable Development topics within the Company reports to the Group Insights, Innovation and Sustainability Officer who is a member of Executive Committee.

The integration of sustainability strategies and performance incentive schemes is detailed in Chapter 4: Corporate Governance (See section 4.2.2.).



3.1.3 MAIN CSR RISKS AND OPPORTUNITIES [NFPS]

BIC has identified nine main non-financial risks resulting from its operations and the use of its goods and services:

1. Risks related to plastics: plastic waste and resource depletion [NFPS risk 1] (see Section 3.2.3.1);
2. Risks related to climate change [NFPS risk 2] (see Section 3.2.1.1);
3. Risks related to product safety and consumer health & safety [NFPS risk 3] (see Section 3.3.4.2.1);
4. Risks related to health & safety of team members [NFPS risk 4] (see Section 3.3.1.3.1);
5. Risks related to non-respect of human rights (child labor, international conventions, ILO) [NFPS risk 5] (see Section 3.3.2.1);
6. Risks related to unfair practices (corruption) [NFPS risk 6] (See Section 3.4.1);
7. Risks related to our operations and the environment [NFPS risk 7] (see Section 3.2.2.1);
8. Risks related to reputation and brand [NFPS risk 8] (See Section 3.3.4.1.1);
9. Risks related to experienced team members and skills [NFPS risk 9] (see Section 3.3.1.4.1).

The risks related to tax evasion are not identified as major CSR risks for the Group.

The method for identifying these risks and evaluating their degree of criticality is described in Chapter 2 of this Universal Registration Document.

The summary table of the Non-Financial Performance Statement in section 3.5.1. summarizes the information required by French executive order No. 2017-1265 dated August 9, 2017⁽¹⁾.

(1) For the purposes of applying Decree No. 2017-1180 dated July 19, 2017 on the disclosure of non-financial information by certain large companies and corporate groups.

3.2. ENVIRONMENT [NFPS]

3.2.1 CLIMATE [NFPS]

3.2.1.1 Risks and opportunities [NFPS]

[NFPS risk 2] In 2022, BIC completed a physical and transitional climate change risk analysis of its value chain. The Company identified the following upstream and downstream transitional and physical risks related to climate change among its main CSR risks:

Location in value chain, risk type & primary climate-related risk driver	Climate-related risk	Potential Financial impacts	Time horizon & Likelihood
Upstream Transitioning to lower emissions technology and : Increased cost of raw materials	As suppliers are driven to decarbonize, BIC expects an increase in raw material costs. Energy efficiency programs, carbon capture and other measures by suppliers might increase raw material production costs.	Increased indirect (operating) costs	Medium-term (3 to 8 years) & very likely
	Increase in the cost of alternative plastic sourcing due to growing competition. Because plastic represents 72% of BIC's raw materials this increase could impact productions costs.	Increased indirect (operating) costs	Medium-term (3 to 8 years) & likely
Direct operations Emerging regulation Increase of carbon price	Increased cost of operations linked to the increase of carbon prices.	Increased indirect (operating) costs	Medium-term (3 to 8 years) & likely

The challenge related to global warming is also a source of opportunities for BIC. These include:

Location in value chain, opportunity type & primary climate-related opportunity driver	Climate-related opportunity	Potential Financial impacts	Time horizon & Likelihood
Upstream Products and services: Development and/or expansion of low emission goods and services	Improving product environmental performance, in particular through "Writing the Future, Together" commitment #1 Fostering sustainable innovation in BIC® products and obtaining voluntary labels awarded to products according to environmental criteria.	Increased revenues through access to new and emerging markets	Medium-term (3 to 8 years) & about as likely than not
Downstream Products and services: Shift in consumer preferences	Changing consumer behavior creates new market opportunities for products that consume less or use less impacting raw materials.	Increased revenues through access to new and emerging market	Medium-term (3 to 8 years) & about as likely as not



3.2.1.2 Policies, actions taken, results and outlook ^[NFPS]

3.2.1.2.1 Policies and management systems implemented to manage climate change mitigation and adaptation ^[NFPS]

Anthropogenic climate change constitutes one of humanities main challenges in the 21st century.

BIC's longstanding commitment to sustainability started well ahead of the Paris Agreement, with its 1st Life Cycle Product Analysis in 1994. BIC has been working to reduce its environmental impact for more than 20 years and integrated climate change into its business strategy through risk and mitigation plans, tracking of Greenhouse gas (GHG) emissions for all Scopes, and publicly disclosing its annual GHG emissions. These actions to increase environmental performance transparency were rewarded by a confirmed A- leadership 2022 CDP score on Climate Change. BIC continues its commitment to the French Business Climate Pledge.

Throughout the years, BIC's sustainable development efforts resulted in the "Writing the Future, Together" Sustainable Development program launched in 2018, which established five major environmental, social and societal commitments with additional commitments to transform the Group's plastic use defined in 2020. This program supports BIC's innovation process and increased the use of renewable electricity.

In 2022, BIC announced ambitious Greenhouse gas (GHG) emission reduction targets. Building on the Company's "Writing the Future, Together" Sustainable Development program and years of innovation resulting in long-lasting products with a light environmental footprint, these targets reinforce BIC's contribution to creating a sustainable future for all.

Governance

The fight against climate change is an integral part of the BIC Sustainable Development Program. Issues concerning sustainable development and climate change are incorporated into the Group's decision-making processes and the related risks are included in the Group risk mapping by the Risk Management Department. Examples include working to embed CO₂ mitigation thresholds into EMA ⁽¹⁾ (BIC's product development and circular design tool) and the role of the "Writing the Future, Together" steering committee who is responsible in overseeing the global sustainable development commitments across the Company (products, packaging and GHG emission reduction roadmap) each quarter.

Every year the Executive Committee reviews the implementation of the "Writing the Future, Together" program, which includes goals that contribute to the fight against climate change (commitments #1, #2 and #4). In 2020, the Group achieved its commitment #2 to use 80% renewable electricity for its plants and offices. As a result, a new target of 100% renewable electricity was set for 2025.

Risk management

Identifying and evaluating risks related to climate change

Direct operations, upstream and downstream climate-related risks are incorporated into the Group-wide processes for risk identification, evaluation and management. The Risk Management Department is in charge of identifying and analyzing risks.

The identification process highlights risks arising from both external and internal sources. The key consideration for identification is the potentially significant impact on the Group's strategy, objectives, personnel, assets, environment and/or reputation. To enable a fluid approach, the risk identification and analysis process comprises two complementary components: a "bottom-up" free approach and a "top-down" structured approach. This two-fold approach makes it possible to identify redundancies and discrepancies.

Management of risks related to climate change and incorporation of climate-related risks in the overall risk management system

The Executive Committee is responsible for managing the risks identified in BIC's major risk mapping. Updates on the progress of the action plans for addressing certain key risks are also reviewed at meetings of the Board of Directors.

The Executive Committee and the central Group departments, including the Legal Department and the Sustainable Development Department, monitor the risks on an ongoing basis.

BIC is committed to ensuring that its facilities, including both factories and offices, operate in an environmentally responsible way. BIC strives to reduce the impact of its manufacturing operations and optimize product shipping.

BIC exerts strong environmental control over its entire supply chain and favors in-house production over contract manufacturing: 92% of the Group's net sales are generated by products manufactured in its own factories.

To manufacture its products, BIC uses raw materials (plastics, inks, paperboard, metals, etc.), consumes resources (water, energy) and produces waste. The Group is aware of the environmental impact of its production activities and is committed to minimizing it. While demand for raw materials is mainly determined by product design (see Section 3.2.3 Circular economy and waste), BIC's factories are tasked with optimizing water and energy consumption, as well as reducing greenhouse gas (GHG) emissions and waste production.

In 2022, Sustainable Development, Risk and Corporate Stakeholder Engagement departments performed a study on the physical and transitional risks due to climate change to better understand these risks in BIC's value chain. Each team member is involved in the internal control processes and risk management activities in accordance with his/her respective knowledge and has access to the information used to design, operate, and monitor the internal control system. For example, BIC's capital expenditures (CAPEX) planning process can include climate change impacts for specific investments needed based on past events such as flooding.

(1) Environmentally & Socially Measurable Advantage scorecard.



The resilience of BIC’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario

In 2022, BIC employed the RCP 2.6 and SSP2 to build a bespoke transition scenario as well as the RCP 6 and SSP3 and SSP4 to build a bespoke physical scenario to evaluate physical and transitional risks. The results were communicated to relevant leadership members. Consequently, for the sites most at risk, the Group plans to review any measures already implemented to counter the risk and define an action plan when appropriate.

Furthermore, the assumptions of the selected scenarios can serve in the identification of policies specific to BIC’s sector to be implemented at the national or global level. This includes, for

example, policies on plastics, marine litter and disposable products, like the European Strategy for Plastics in a Circular Economy, as well as the environmental labeling regulation on consumer products in France or Europe.

3.2.1.2.2 GHG Emission reduction targets

In 2022, BIC committed to reducing 50% of Scope 1 GHG emissions and 100% of Scope 2 GHG emissions by 2030. These objectives are in line with the Paris Agreement target requirements and backed by the near completion of the 100% purchase of renewable electricity objective on all sites by 2025 (76% in 2022). Scope 3 objectives pledge an overall 5% reduction by 2030, of which -30% for the Flame for Life division.

	Reference year	Absolute target 2030	Main drivers
Scope 1	2019	-50%	<ul style="list-style-type: none"> • Use of alternative heat sources • Switch to low impact refrigerants
Scope 2	2019	-100%	<ul style="list-style-type: none"> • Renewable sourcing for all electricity consumption
Scope 3 ^(a) (Group)	2019	-5%	<ul style="list-style-type: none"> • Upgrade EMA^(b) with relevant CO₂ reduction criteria and threshold • Strengthen strategic partnerships with its main plastic and metal suppliers • Implement innovation and renovation programs to improve product design and integrate more sustainable materials
o/w Flame for Life	2019	-30%	<ul style="list-style-type: none"> • Work with the suppliers to obtain low carbon impact raw materials • Use biofuel in local transport • Implement circularity through the collection and recycling of lighters

(a) Scope 3 reduction targets cover at least 66% of the total Scope 3 emissions, in line with current target-setting best practices.
 (b) Environmentally & Socially Measurable Advantage scorecard, co-developed with a specialist in 2020.

Scope 1 and 2 targets were defined employing the Paris Climate Protocol principles under the 1.5°C pathway methodology. The Group’s Scope 1 and 2 engagement exceed established recommendations. The Scope 3 target weighted a 2.0°C pathway methodology and will be reviewed every year by the sustainable development teams.

3.2.1.2.3 Climate change mitigation and adaptation action plans

The implementation of innovative and scalable action plans to achieve BIC’s GHG emission reduction targets will require investments which are fully embedded into BIC’s operational strategy. These action plans presented in the following sections describe BIC’s ongoing efforts in several key areas as well as their progress.

Using renewable energy at BIC facilities

Electricity consumption at BIC facilities accounts for 8% ⁽¹⁾ of the Group’s total emissions. Through the commitment “Writing the Future, Together” - #2 Acting Against Climate Change, BIC aims to use 100% ⁽²⁾ renewable electricity by 2025.

Building on its experience, BIC established a roadmap for this goal. This roadmap reflects a strategy in which each country or facility reviews its opportunities for sourcing renewable electricity, consistent with their regulatory and operational constraints. In keeping pace with the frequent market and regulatory changes affecting this sector, BIC is focusing on renewable energy certificates ⁽³⁾, green contracts and long-term Power Purchase Agreements as well as electricity production potential of certain facilities.

(1) Location-based.
 (2) Initial Writing the Future, Together - #2 Acting Against Climate Change commitment of 80% renewable energy was achieved in 2020 therefore a new target of 100% was established.
 (3) Electricity generated from biomass (including biogas), geothermal, solar, water (including hydro) and wind power is considered renewable.



Key actions taken throughout the years and in 2022:

- in France, BIC purchased renewable energy certificates (Guarantees of Origin - GoO) for all its factories and the Clichy headquarters. This means that all BIC® products manufactured in France were produced using renewable electricity;
- in Greece, GoO certificates have been purchased for all the BIC Viorex facility's electricity consumption since 2016 and in 2022, a Power Purchase Agreement (PPA) for renewable energy was signed;
- in Spain, the BIC Iberia and BIC Graphic Europe facilities have been using renewable electricity through the purchase of certificates (GoO) since 2018 as well as renewable electricity produced from site owned solar panels;
- in the United States, the purchase of renewable wind energy certificates (U.S. RECs) covers the energy needs of most American facilities;
- in Brazil, the Manaus facility has been using wind energy or hydrolic since 2018 through the purchase of iREC certificates and solar panels have been installed in 2021;
- in Mexico, BIC has completed a Power Purchase Agreement (PPA) tender for renewable electricity. The Tlalepantla facility is expected to install solar panels by the end of the year;
- in South Africa, the purchase of GoO certificate covers all the factory's consumption;
- since 2018, 100% of the lighter factories have been powered by renewable electricity, and research is underway to develop the self-sufficiency of the facilities (recovery of waste heat, development of photovoltaic and solar thermal energy, etc.);
- the Cello Stationery Products site has installed solar panels since 2019.

Action plan to reduce the carbon footprint of our transport operations

The goal of BIC's shipping management system is to ensure product availability while:

- maximizing customer satisfaction;
- reducing the environmental impact of its transport operations; and
- optimizing costs.

BIC has factories worldwide, which tends to limit the need for product shipping. For example, over 80% of the products sold in Europe are manufactured there.

BIC uses two types of transport for its products:

- "inter-site shipping" which refers to factory-factory and factory-warehouse shipments (inter- and intra-continental);
- "distribution shipping" which refers to shipments from factories or warehouses to the end customer.

Due to the environmental and financial impact of air freight, the Group is striving to minimize its use. In 2022, due to global supply chain challenges and to mitigate business risk and support our customer service levels, 1.84% of total tonnage was shipped by air which accounted for 56% of the Group's total emission from the transport of the year.

BIC pays close attention to air freight, with the goal of continuing to keep it under 2.3% for intra-Company transport.

BIC has chosen to outsource its transport operations while maintaining a high level of internal expertise in the management of service providers, flow engineering and transport management tools. BIC believes that specific effort focused on each transport flow is the best way to provide high-quality, competitive shipping while reducing environmental impact.



The responsible shipping approach comprises three objectives, whose actions are described in the following table:

Objectives of the responsible shipping approach	Actions taken
Raising awareness and controlling emissions	<p>Since 2014, a steering group has been tasked with identifying solutions to significantly reduce air freight over the long-term. This involves bringing together all relevant functions and working closely with teams across categories and worldwide. Transport companies that are committed to sustainable development are also regularly consulted.</p> <p>Specific monitoring of air transport began in 2014, with quarterly reports to the management teams in each region. In 2020, a system to oversee air freight was rolled out Group-wide. This system requires multiple explanations and approvals prior to authorization of any air shipment. Furthermore, in 2020 and 2021, BIC launched and carried out a project to capture all its downstream transportation flows and thereby better track the associated emissions.</p>
Optimizing shipments and routes	<p>The main leverage points in shipping to reduce emissions are cutting the distances traveled, the shipping mode used and load optimization. BIC's logistical teams work on all three points in cooperation with other Group departments (such as Production and Sales) and service providers.</p>
Selecting responsible carriers	<p>Logistical operations are carried out by transport companies selected by BIC. Their equipment, methods and management systems are thus determining factors in the level of GHG emissions. These include:</p> <ul style="list-style-type: none"> • the age of the vehicles; • eco-driving training; • the use of speed governors; • tire technology; • emission measurement capacities, etc. <p>In conjunction with the Group's responsible purchasing policy, BIC selects carriers that can reduce the environmental footprint of its shipping operations. For example, in the United States and Canada, the Group only works with carriers that have received SmartWay® certification, a program designed by the Environmental Protection Agency in the United States.</p> <p>To encourage its transport service providers to adopt responsible practices, BIC has incorporated the reduction of GHG emissions as a criteria for selecting carriers.</p>

Emissions related to purchases

The emissions in this category are mainly related to the Group's purchases of materials, especially plastics (69%).

In 2020, BIC announced two new ambitious goals as part of its "Writing the Future, Together" program. These two goals, which are also part of the Group's *Horizon* corporate strategy plan, will help significantly reduce its GHG emissions:

- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable;
- by 2030, BIC aims for 50% non-virgin petroleum plastic for its products, with a goal of 20% by 2025.

These goals will be worked on through the implementation of the Group's "4 Rs" philosophy (described in Section 3.2.3.2) and could help reduce its GHG emissions by about 10% (at constant perimeter).

Emissions related to product use

The energy used to heat water when using shavers is the largest source of emissions, accounting for 34% of the total. BIC is exploring how to reduce this and hopes to put forward concrete plans in the coming years.

3.2.1.2.4 Results

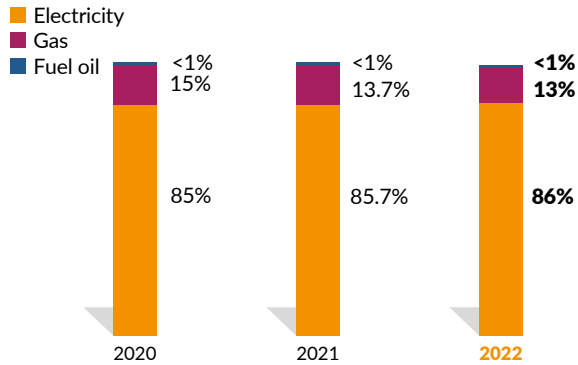
Energy

To manufacture and distribute its products, BIC uses raw materials (plastics, inks, packaging, metals, etc.), consumes resources (water, energy), produces waste and uses transportation services, all of which are responsible for greenhouse gas emissions.

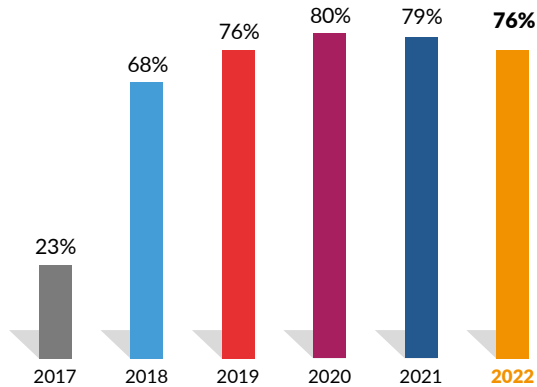


Energy consumption and mix

BREAKDOWN OF BIC ENERGY CONSUMPTION



SHARE OF RENEWABLE ENERGY - AS OF TOTAL CONSUMPTION



The reduction of renewable energy percentage is due to the increase of production volumes in 2022, leading to increased energy consumption at the sites that are still not using green energy (PPA, GoOs, green contracts, etc.) as well as the introduction of BIC Nigeria into the environmental reporting scope.

Optimizing energy consumption

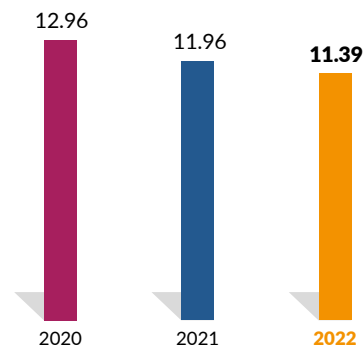
BIC implemented energy efficiency programs in its factories for many years. As a result, the Group has improved its energy efficiency by 10.5% in ten years.

Twenty-one energy efficiency projects were launched in 2022 of which 12 were completed during the year. The projects included light bulbs replacement with LED bulbs, processes optimization, energy studies and new and more energy efficient equipment installation.

IT support departments have a direct impact on the environmental footprint of the facilities. In 2022 this approach included the following actions:

- encouraging online meeting tools to reduce business travel;
- electricity consumption reduction due to the French data center's new location in the new Group's headquarters;
- switch from physical phones to virtual phones in Shelton headquarter;
- sharing Green IT best practices to BIC employees.

ANNUAL ENERGY CONSUMPTION NORMALIZED TO BIC PRODUCTION - IN GIGAJOULES/TON



Greenhouse Gas Emissions

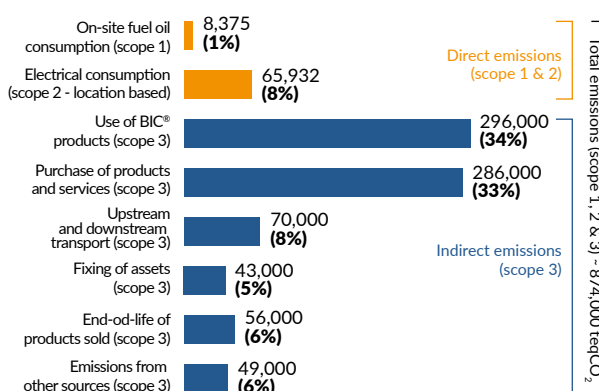
In 2020, BIC reviewed its method for evaluating scope 3 emissions. This was to provide an annual report on all types of emissions related to its operations in addition to those on which the Group has communicated in previous years (purchasing of raw materials and intra-Company transport). This effort was undertaken in line with the GHG Protocol.

The biggest sources of emissions for BIC are:

- the product use phase. The main impact is from the consumption of energy to heat water used in shaving;
- the impact of the raw materials purchased, in particular the impact of plastics used in the products;
- the impact related to the end-of-life of products after their use by the consumer.

A study of BIC's global carbon footprint shows the following breakdown of greenhouse gas emissions:

DECLARATION OF GREENHOUSE GAS EMISSIONS (GHG) SCOPES 1, 2 AND 3



3

GREENHOUSE GAS (GHG) EMISSIONS⁽¹⁾ - IN TEQCO₂

Sources and scope	2020	2021	2022	Change 2022/2021
Direct GHG emissions (scope 1)	7,659	8,226	8,375	2%
Indirect GHG emissions (scope 2 location-based)	70,435	75,231	65,932	-12%
Indirect GHG emissions (scope 2 market-based)	25,277	27,086	31,870	18%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED])	78,046	83,456	74,309	-11%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	33,097	35,311	40,244	14%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 [LOCATION-BASED]) NORMALIZED TO PRODUCTION*	1.031	0.91	0.74	-18%
GHG emissions from use of BIC® products (scope 3)	300,000	291,000	296,000	2%
GHG from upstream and downstream transport (scope 3)	43,000	74,000	70,000	-5%
Of which GHG emissions from to intra-Company transport ^(a) (scope 3)	18,000	49,000	42,000	-16%
GHG emissions from fixed assets (scope 3)	38,000	43,000	43,000	0%
GHG emissions from end of life of products sold (scope 3)	49,000	57,000	56,000	-2%
GHG emissions from purchase of products and services (scope 3)	236,000	295,000	286,000	-3%
Of which GHG emissions from purchases of raw materials (scope 3)	232,000	292,000	282,000	-3%
GHG emissions from other sources (scope 3)	41,000	44,000	49,000	11%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	710,000	805,000	800,000	-1%

* TeqCO₂/ton.

(a) Excluding road transport in sea and air freight.

(1) Historical methodology.



GREENHOUSE GAS EMISSIONS (GHG) SCOPES 1, 2 AND 3 REDUCTION TARGET PROGRESS

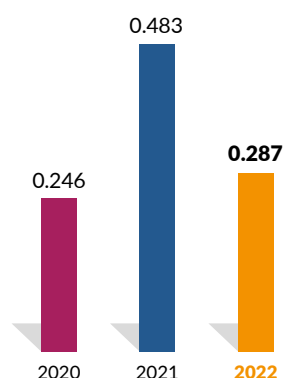
Sources and scope ^(a)	2019 ^(b)	2022	Progress
Direct GHG emissions (scope 1)	9,278	8,375	-10%
Indirect GHG emissions (scope 2 market-based)	36,549	31,870	-13%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 1 + SCOPE 2 MARKET-BASED)	45,827	40,244	-12%
GHG from upstream and downstream transport (scope 3)	72,000	70,000	-3%
Of which GHG emissions from to intra-Company transport ^(c) (scope 3)	40,000	42,000	5%
GHG emissions from end of life of products sold (scope 3)	61,000	56,000	-8%
GHG emissions from purchase of products and services (scope 3)	289,000	286,000	-1%
Of which GHG emissions from purchases of raw materials (scope 3)	285,000	282,000	-1%
TOTAL ANNUAL GHG EMISSIONS (SCOPE 3)	422,000	412,000	-2%

(a) GHG emission reduction targets exclude the following sources: Indirect GHG emissions (scope 2 location-based), Total annual GHG emissions (scope 1 + scope 2 [location-based]), Total annual GHG emissions (scope 1 + scope 2 [location-based]) normalized to production*, GHG emissions from use of BIC[®] products (scope 3), GHG emissions from fixed assets (scope 3), GHG emissions from other sources (scope 3).

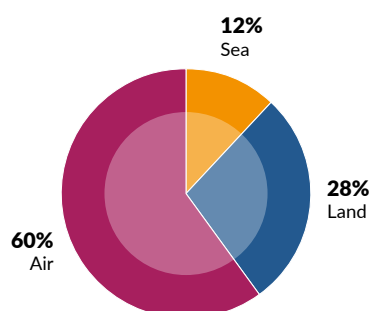
(b) GHG emission reduction targets 2019 Baseline. This baseline may be subject to change in the next years.

(c) Excluding road transport in sea and air freight.

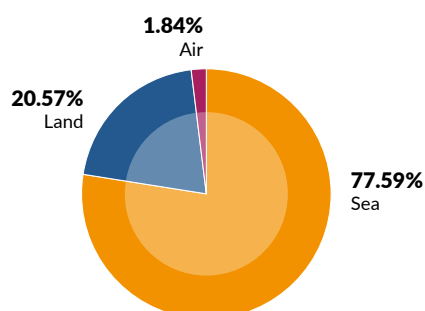
GHG EMISSIONS FROM INTRA-COMPANY TRANSPORT ⁽¹⁾ - TEQCO₂/TON OF PRODUCTS



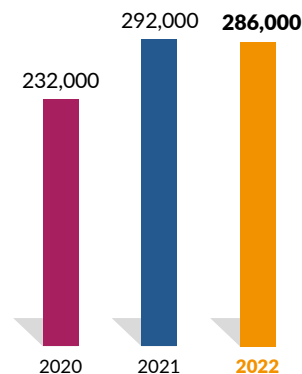
BREAKDOWN OF GHG EMISSIONS BY MODE OF TRANSPORT - AS % OF TOTAL



BREAKDOWN OF TONNAGE SHIPPED BY MODE OF TRANSPORT - AS % OF TOTAL



GHG EMISSIONS FROM PURCHASES OF PRODUCTS AND MATERIALS - IN TEQCO₂ - BIC



Goals and results

Goal	Perimeter	Deadline	2020	2021	2022
100% electricity from renewable energy sources ^(a)	Facilities	2025	80%	79%	76%
Keep air freight below 2.3% for intra-Company transport ^(b)	Transport	Annual	0.84%	2.82%	1.84%
BIC's goal is to use:					
• 20% recycled or alternative plastics in its products	BIC® products	2025	4.3%	4.0%	5.70%
• 50% recycled or alternative plastics in its products	BIC® products	2030	4.3%	4.0%	5.70%
100% of BIC consumer plastic packaging will be reusable, recyclable or compostable ^{(c) (d) (e)}	Packaging	2025	42.5%	59.6%	70%
100% of BIC paper and cardboard packaging will be from certified and/or recycled sources ^(d)	Packaging	2025	97.3%	97.4%	97.7%
100% of BIC plastic packaging will be PVC-free ^(d)	Packaging	2025	94.4%	95.6%	96.2%
75% of the materials used in BIC plastic packaging will be recycled ^{(c) (d)}	Packaging	2025	48.9%	52.1%	54.7%

(a) In % of total consumption.
 (b) In ton-kilometers - % of the total.
 (c) Indicator calculated for the first time in 2020 following the Group's commitment that year.
 (d) BIC Graphic, recent acquisitions and certain OEMs are excluded.
 (e) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

(1) Excluding transport by road, as part of sea and air travel.



3.2.1.3 BIC's activities disclosure with respect to the European Green Taxonomy ^[NFPS]

In this section, the Group discloses the information required by the European regulation 2020/852 of June 18, 2020.

Eligible but not environmentally sustainable (not Taxonomy-aligned activities) revenue

BIC is committed to the ecological transition. However, its core activities do not directly correspond to those retained in the delegated act on climate change adaptation and mitigation, for which the highest emitting activities on scopes 1 and 2 with a potential for transformation have been prioritized. Thus, the share of BIC's eligible revenue for the year 2022 is zero.

BIC aspires to have a set of eligible and aligned revenue sources once the delegated acts with the technical criteria for the remainder of the EU environmental objectives are established, notably under the transition to a circular economy objective.

For detailed results please visit Annex I, II and III (Section 3.5.5).

Eligible but not environmentally sustainable (not Taxonomy-aligned activities) CapEx and OpEx

BIC's eligible but not environmentally sustainable (not Taxonomy-aligned activities) capital and operating expenditures relate primarily to expenditures associated with the following European green taxonomy activities (and their code) contributing to climate mitigation and adaptation:

- 3.6 Manufacture of other low carbon technologies;
- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles;
- 7.7 Acquisition and ownership of buildings;
- 9.1 Close to market research, development and innovation;

These capital and operating expenditures include the following BIC projects ⁽¹⁾:

- Investments in technologies that mix virgin plastic material with recycled plastic material;
- Investments in electric industrial vehicles;
- Investments in office building leases;
- Operating expenditures in research and development programs to reduce the use of virgin plastic in our products as well as programs to reduce the environmental impact of the usage of BIC[®] products.

As a result, BIC's share of Taxonomy-eligible but not aligned capital expenditures for the year 2022 amounts to 18.95% out of a total of 136 million euros (see Note 9 to the Consolidated Financial Statements, Chapter 6.1). The slight increase in eligible capital expenditures in 2022 is due to a new lease for BIC's Headquarters in Clichy, France.

The share of Taxonomy-eligible but not aligned BIC operating expenses for the year 2022 amounts to 0.06% out of a total of 487 million euros (see Note 4 to the Consolidated Financial Statements, Chapter 6.1) hence insignificant.

Sustainable activities (Taxonomy-aligned activities) CapEx and OpEx

BIC's environmentally sustainable activities (Taxonomy-aligned) capital expenditures relate primarily to expenditures associated with the following enabling European green taxonomy activities (and their code) contributing to climate mitigation:

- 5.5 Collection and transport of non-hazardous waste in source segregated fractions;
- 7.3 Installation, maintenance and repair of energy efficiency equipment;
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings);
- 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings;
- 7.6 Installation, maintenance and repair of renewable energy technologies;
- 9.3 Professional services related to energy performance of buildings.

These capital expenditures include the following BIC projects ⁽²⁾:

- Investments in the installation of conveyors that enable the auto recycling of non-hazardous waste back to the manufacturing process;
- Investment in lighting system replacement as well as guardhouse boiler replacements;
- Investments in charging stations for electric vehicles;
- Investments in smart meters for gas, heat, cool and electricity;
- Investments in air renewal management;
- Investments in carbon and energy audits.

(1) Non-exhaustive list of eligible capital and operating expenses under the EU Taxonomy.

(2) Non-exhaustive list of aligned capital expenses under the EU Taxonomy.

The share of Taxonomy-aligned BIC capital expenditures for the year 2022 amounts to 0.15% out of a total of 136 million euros.

The share of Taxonomy-aligned BIC operating expenses for the year 2022 amounts to 0% out of a total of 487 million euros.

For detailed results please visit Annex I II and III (Section 3.5.5).

It should be noted that in accordance with the European taxonomy, the operating expenses taken into account are defined as direct non-capitalizable costs and include research and development costs, building renovation costs, maintenance and repair costs, rents presented in the income statement and any other expenses related to the day-to-day upkeep of the assets.

Likewise, it should be noted that in 2022 BIC invested in key sustainable projects ineligible under the EU Taxonomy activities. These investments include the purchasing of new energy efficient machines as well as the development of the first-ever disassembling and recycling machines for lighters.

Scope and methodology

Scope

The revenue, capital expenditures and operating expenses considered cover all of the relevant BIC activities corresponding to the financial consolidation scope.

The financial data is taken from the accounts as of December 31, 2022 and the revenue and capital expenditures can therefore be reconciled with the financial statements.

Companies in which the Group exercises joint control or significant influence are excluded from the calculation of the ratios defined by the delegated act known as "Article 8" of the taxonomy regulation⁽¹⁾.

Methodology to determine the ratio of eligible and aligned activities

BIC's assessment of its business activities, eligible and aligned costs and investments and the determination and allocation of revenue, Capital expenditure (CapEx) and operating expenditure (OpEx) with reference to the climate delegated acts of the taxonomy, have been carried out in the following manner.

In 2021 BIC compiled the NACE codes of its subsidiaries and compared them with those of the activities listed in the taxonomy's delegated climate acts and found no matching codes.

In 2022, each BIC business unit (GI&I⁽²⁾, Group Supply Chain and Lighters) proceeded to identify potential eligible capital and operating expenditures by employing existing internal sustainability criteria which included: energy reduction, decrease

in raw material use and an overall positive impact on the environment among others. This allowed the sustainable development teams to perform a preliminary selection of potential eligible capital and operating expenditures. Subsequently, the sustainable development teams scanned the EU Taxonomy compass to classify these potential eligible capital and operating expenditures. Once the eligibility was established, the internal teams proceeded with the alignment assessment of these capital and operating expenditures. The Group assessed the project compliance with the substantial criteria for each of the EU Taxonomy activity as well as the do no significantly harm criteria when applicable. The climate adaptation do not significantly harm criteria was assessed at a Group level as a result of a Group physical climate risk analysis carried out in 2022 (see Section 3.2.1.1). The minimum safeguards were screened at a Group level to ensure alignment with the four key topics: Human rights, bribery and corruption, taxation and fair competition.

The sustainable development teams in consultation with the Finance Department obtained the corresponding eligible and aligned Capital expenditures (CapEx) and Operating expenditures (OpEx). These results were verified by the EU Taxonomy project coordinator and discussed with the interested parties. Once approved, these amounts collected in local currency were uploaded onto the Group's financial consolidation system to guarantee a coherency with the Group's consolidated financial statements and published in the Non-Financial Performance Statement Taxonomy annex I, II and III (see Section 3.5.5).

3.2.2 POLLUTION AND WATER [NFPS]

BIC is committed to ensuring that its facilities, including both factories and offices, operate in an environmentally responsible way. BIC strives to reduce any impact of its manufacturing operations and optimize product shipping.

BIC exerts strong environmental control over its entire supply chain and favors in-house production over contract manufacturing: 92% of the Group's net sales are generated by products manufactured in its own factories.

To manufacture its products, BIC uses raw materials (plastics, inks, paperboard, metals, etc.), consumes resources (water, energy) and produces waste. The Group is aware of the environmental impact of its production activities and is committed to minimizing it.

(1) Commission Delegated Regulation (EU) 2021/2178 of July 6, 2021.

(2) Group Insights and Innovation.



3.2.2.1 Risk and opportunities [NFPS]

[NFPS risk 7] BIC has identified risks related to its operations and the environment among its main CSR risks. The environmental impact of BIC's manufacturing operations primarily molding and assembly of plastic products remains relatively low.

Reducing the environmental footprint of its factories is also a source of opportunity for BIC which include:

- optimizing production costs by limiting resource consumption (water, energy, etc.) and the production of factory waste;
- facilitating the integration of factories into their local surroundings by reducing their environmental footprint, adopting best practice and reaching out to local communities;
- study processes to reduce carbon emissions in the coming decades.

3.2.2.2 Policies, actions taken, results and outlook [NFPS]

Defined in 2005, the **Environment, Health & Safety (EH&S) Policy**, codifies the Group's commitment to minimizing the environmental and safety impact of all its operations to better protect the environment. The Policy specifies BIC's dedication to:

- pollution prevention;
- health and safety risk prevention;
- regulatory compliance;
- continuous improvement;
- awareness and involvement.

Since 2010, the EH&S Policy is deployed at all BIC industrial facilities. BIC maintains a formal procedure to review the BIC EH&S Policy to ensure that it remains relevant and appropriate to the business. This procedure describes a periodic assessment and revision of the Policy to ensure it remains appropriate in light of any changes to the Group's activities and products, including acquisitions and changing stakeholder expectations. An updated EH&S Policy was signed by the CEO in November 2022.

Since 2018, all BIC facilities (factories, packaging or distribution centers, head offices and other offices and installations) have been equipped with a system for documenting and managing safety incidents. This is part of the implementation of the "Writing the Future, Together" commitment #3 (see Section 3.3.1.3).

At the industrial facilities

The EH&S Policy requires factories to implement pragmatic management systems designed to involve all stakeholders, as well as to drive continuous improvement of operational performance. Every BIC factory has a local EH&S manager in charge of rolling out these management systems. Furthermore, the Group employs a central EH&S manager who guides and coordinates the network of EH&S managers. This person ensures that all facilities comply with the Group's Policy and objectives, and monitors facility performance by consolidating, analyzing and communicating the results achieved.

The environmental management system helps ensure compliance with applicable environmental laws and regulations. This may include daily or periodic checks to comply with local regulations. These may be done internally or with the assistance of an independent outside Company. An action plan is drawn up to correct any compliance issues identified.

Within the framework of the management systems, an in-depth review is completed of all aspects of the facility's activities and environmental impact (water, air, soil, noise, etc.). Action plans are then drawn up to limit this environmental impact. Simple improvement targets are set for the factories to contribute to the Group's overall environmental performance while meeting their own specific challenges (production, resources, geographic location, etc.).

The environmental management systems rolled out at the Group's industrial facilities call for contingency plans to deal with pollution accidents with off-site consequences. Emergency prevention and response plans have been established in locations where there is an identified risk of an accident with consequences beyond plant boundaries.

In particular, in France, the two SEVESO plants (BJ 75 and BIMA) have emergency procedure protocols (*plan d'opération interne* and *plan particulier d'intervention*), and a major hazard prevention policy (*politique de prévention des accidents majeurs*). They also have a Safety Management System. In 2022 BIC Conté in France launched a project to study soil decontamination at the Boulogne site.

Outside France, notably in the U.S., some factories have equivalent emergency plans that address risks with potential off-site consequences.

Supplementary pollution prevention projects in 2022 include the creation of a biodiversity park at the BIC Cello Facility (Cello Plastic Product PVT. Ltd).

Management Systems and Certification

In 2022, the implementation of BIC management systems at Group industrial facilities was 80% complete for the environment and 86% for health and safety.

Beyond the implementation of management systems, BIC also continually invests in obtaining and renewing certification. In 2022, BIC Cello KBL obtained the ISO 9001 certification and since 2021, the following certification were obtained or renewed:

- **ISO 14001:** BIC Écriture 2000, BIC South Africa, BIC CORP – Milford, BIC Rasoirs, BIC Shavers Mexico – Industrial de Cuautitlan;
- **ISO 45001:** BIC Rasoir;
- **ISO 50001:** BIC Violex, BIC Amazonia.



In the offices

To ensure best practices, BIC’s sustainable development approach covers all its operations, including its offices, although they represent a non-significant part of the Group’s environmental impact. The environmental performance of the Group’s four main offices (Clichy in France, Shelton in the United States, Barueri in Brazil and Sofia in Bulgaria) is presented together with the performance of the Group’s industrial facilities.

Initiatives have been taken at these facilities to reduce their environmental footprint. The offices in Shelton, United States, were granted LEED (Leadership in Energy and Environmental Design) certification in 2009 and are powered by renewable electricity. BIC Clichy teams moved to a brand new BREEAM and HQE certified building in June 2022. This building is powered by 100% renewable electricity. This move allowed for a transformation to increase flexible working arrangements which significantly improved the local team member’s working conditions. To encourage eco-responsibility in the building, the local teams organized a series of workshop to raise awareness on the impact of climate change (Climate Fresk) and BIC’s sustainability progress.

In the supply chain

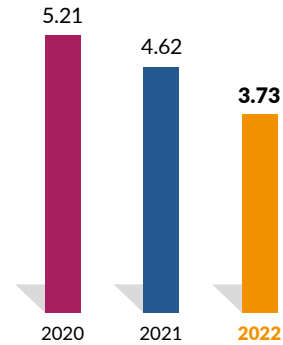
Beyond accounting for its own environmental impact, BIC also looks at the impact of its supply chain. Since 2014, the Workplace Conditions Assessment (WCA) platform for auditing the working conditions of subcontractors (see Section 3.3.1.3) has included a comprehensive questionnaire on environmental performance, accounting for 6% of questions. In 2022, 31% of subcontractors were audited.

Water [NFPS]

Seven facilities show a moderate risk of water stress (in Europe, India and Mexico). This is according to a global risk assessment on climate change risks including a water stress test completed by BIC in 2022. The Group will continue to seek to improve its water consumption ratios, factoring in the scarcity of this resource when prioritizing its action plans for the reduction of water consumption. In 2022, BIC Nigeria completed a new water treatment construction as well the installation of new toilet facilities that will improve local water management.

BIC consumed 372,349 m³ of water worldwide in 2022.

ANNUAL WATER CONSUMPTION NORMALIZED TO BIC FACTORY PRODUCTION - BIC - IN M³/TON



There was a 19% decrease in water consumption per ton of production between 2021 and 2022. BIC production is not water intensive and most of the consumption is due to domestic use. In 2022, water management, improvement in cooling process and overall maintenance contributed to this decrease in water consumption.

In addition to the volumes consumed, it is essential to consider where this consumption takes place. It can occur in so-called “water stress” zones. The uneven distribution of water across the planet, and limited access to it, may give rise to severe political and social tensions.



3.2.3 CIRCULAR ECONOMY AND WASTE [NFPS]

BIC produces and markets consumer products that are lightweight, long-lasting and affordable for all. From day one, BIC® products have been designed and made with the minimum use of raw materials.

At BIC, this approach is reflected in the “4 Rs” philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle) based on the circular economy principles. Through its “Writing the Future, Together” program, the Group goes even further. This is reflected in its commitment to accelerate the integration of recycled and alternative materials into its products and improve their environmental, social and societal performance. EMA (EMA – Environmentally & socially Measurable Advantage), the Group’s Sustainable Scorecard, has been incorporated into product design processes.

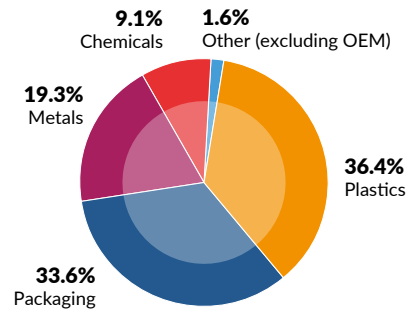
BIC also contributes to the development of the circular economy by establishing partnerships to use secondary raw materials. It is also involved in creating a pilot channel for the recycling of stationery products, shavers and lighters.

BIC® products are designed to meet and anticipate the expectations of all consumers in developed as well as developing countries. The Group also takes all necessary steps to uphold its brand image and preserve its reputation.

3.2.3.1 Risks and opportunities [NFPS]

To manufacture its products, BIC uses raw materials (plastics, inks, packaging and metals, etc.), natural resources (water and energy) and generates waste.

BREAKDOWN OF RAW MATERIAL PURCHASES IN 2022⁽¹⁾



Product life cycle studies show that a product’s environmental impact is primarily determined by the raw materials used and its service life. The challenge is therefore to minimize raw materials and maximize the product’s lifespan. In fact, the more lightweight a product and the longer it lasts, the better its environmental performance.

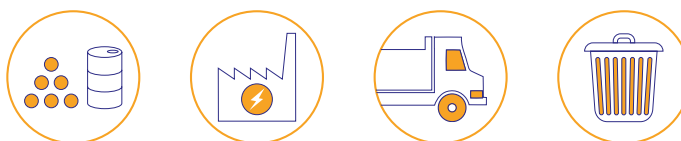
Starting in 1994, when BIC conducted its first life cycle studies, the Group set out its founding principle of “just what’s necessary”⁽²⁾. The idea is to offer fairly priced products with lower environmental impact.

(1) Spent in Euros.

(2) “Il y aura l’âge des choses légères” by Thierry Kazazian, Victoires Éditions, 2003.



ENVIRONMENTAL PERFORMANCE MEASUREMENTS FOR THREE LEADING BIC® PRODUCTS⁽¹⁾



Life cycle analysis approach—ReCiPe (version 1.12)
Endpoint (H/A) Europe

	Raw materials	Production	Distribution	End of life
BIC® Cristal® ball pen	81%	12%	4%	3%
BIC® Maxi lighter	81%	11%	5%	3%
BIC® Classic single-blade shaver	79%	14%	4%	3%

BIC has identified the following risks among its major CSR product-related risks:

- risks related to plastics [NFPS risk 1], including:
 - upstream: the use of plastic in BIC® products. This contributes to the depletion of a non-renewable resource, which is therefore subject to scarcity and price volatility,
 - downstream: pollution from plastic waste.

In addition to these issues, there is also the ever-growing body of regulations on the use of plastics as well as the perception of consumers and citizens;

- risks related to climate change [NFPS risk 2] resulting from the use of petroleum-derived raw materials (plastics). A plan to manage these risks includes an effort to reduce the use of petroleum-derived raw materials and to employ more recycled and alternative ones (also see Writing the Future, Together # 1 Section 3.1.1.3).

The challenges related to plastic waste and resource depletion also offer opportunities. These include:

- increasing the use of recycled and alternative materials in products to promote more responsible consumption;
- creating circular economy loops that enable the collection, recycling and reuse of the products;
- offering unique BIC® products that provide environmental and social benefits in its markets.

3.2.3.2 Policies, action taken, results and outlook [NFPS]

The circular economy at BIC: the “4 Rs” philosophy

The circular economy consists of producing goods and services in a sustainable way by limiting the consumption and wasting of resources as well as the production of waste. The goal is to transition from a society based on a linear extraction-production-waste model to a more circular economic model⁽²⁾:

At BIC, the principles of the circular economy are embodied in the Group’s “4 Rs” philosophy. This serves as a guide for all its “product” processes:

- Reduce** the consumption of materials;
- use **Recycled or alternative** materials;
- design and manufacture **Refillable** products and packaging whenever possible;

- design and manufacture **Recyclable** products and packaging.

3.2.3.2.1 Ambitious goals for products and packaging, in keeping with the “4 Rs”

In 2020 aligned with its “4 Rs” philosophy, the Group made new commitments to:

- use more recycled and alternative materials in its products; and
- speed the transition toward reusable, recyclable or compostable packaging.

In practice this means that:

- by 2030, BIC aims for 50% use of non-virgin petroleum plastic in its products, with a goal of 20% by 2025;
- by 2025, 100% of BIC consumer plastic packaging will be reusable, recyclable, or compostable.

In addition:

- by 2025, 100% of BIC paper and cardboard packaging will be from certified sources and/or recycled;
- by 2025, 100% of BIC plastic packaging will be PVC-free;
- by 2025, 75% of the material used in BIC plastic packaging will be recycled.

These goals were defined by *ad hoc* working groups bringing together all the relevant Group entities (Insight & Innovation, Global Supply Chain, Lighter and Commercial). These are based on recommendations and expertise from outside the Group (in particular the Ellen MacArthur Foundation).

These goals have been incorporated into the “Writing the Future, Together” program (#1 Fostering Sustainable Innovation in BIC® products) and supplement the commitment made in 2018 to implement the “4 Rs” philosophy as well as other environmental and social principles (responsible chemistry, affordability, etc.) as part of the Group’s day-to-day operations.

3.2.3.2.2 Applying the “4 Rs” philosophy to products [NFPS]

The “4 Rs” – Reduce the consumption of materials

BIC has always sought to optimize raw material use. An expert in plastic processing, BIC works above all to minimize usage and regularly updates its product designs to optimize and reduce its consumption of materials.



(1) BIC analysis.

(2) Source: website of the French Ministry of Ecological Transition.



In the Human Expression division, the BIC® Cristal® ball pen, one of the Group's flagship products, exemplifies this approach. Even though its design already optimized the use of materials in 1950, it continues to benefit from ongoing research to minimize the materials used:

- it has a minimum writing length of over 2-km;
- it uses only 2.9 grams of material per kilometer of writing, compared with 6.6 grams for a competing product with comparable characteristics.

In the Blade Excellence division, BIC stands out thanks to its highly competitive price/quality ratio. For each product range, this price/quality ratio is made possible by the development of products with an optimal quantity of materials and keeping them as simple as possible.

For example, the BIC® Simply Soleil® shaver is designed to weigh as little as possible. Although it is hollow, its handle nonetheless ensures a high level of performance, quality and comfort in shaving.

BIC's Flame for Life division is recognized as a champion in manufacturing safe, long-lasting high-performance lighters, using a minimum amount of materials while offering the best service to consumers. For example, the BIC® Maxi lighter (#1 bestseller) provides up to 3,000 lights with less than 24g of raw material.

An example of the Group's continuous improvements to reduce the quantity of raw material and packaging is the launch between 2020 and 2021 of the new BIC EZ Reach™ multi-purpose lighter using four times less plastic and 30% less packaging and reducing carbon emissions by 66% compared to the regular and larger multi-purpose lighters.

The "4 Rs" – Use Recycled or alternative materials

Since 2014, BIC has been researching how to maximize recycled and alternative materials in BIC® products. The research teams have identified all BIC® products that could employ alternative/recycled materials without sacrificing quality. The challenge is:

- to ensure a perennial source of such materials that meet the specifications;
- to convert any products that lend themselves to such adaptation.

To identify recycled or alternative materials, BIC Research and Development teams, in collaboration with the Purchasing Departments, focus on two approaches:

- **the use of existing innovative materials.** An inventory of innovative materials for industrial use is kept available. From this list, engineers select materials that satisfy industrial and economic requirements to conduct feasibility tests. Depending on product applications and implications, the Group's marketing teams can be consulted in order to test for consumer reactions;
- **collaborative research** with suppliers to identify new materials (e.g. plant-based or recycled, etc.), new concepts (materials from new recycling techniques) or hybrid materials. Many materials are considered and then analyzed. These have included potato starch, sugarcane, plant fibers, wood chip, etc. Once a formulation is ready, it is tested to ensure that it meets industrial quality and safety specifications, sometimes going all the way to the finished product approval stage.



**34 alternative materials tested in 2022 including:
18 recycled plastics, 14 hybrid materials and
2 biobased plastics.**



Exemplifying this approach, the BIC® Ecolutions® range is a complete Stationery line that consists of products manufactured using recycled materials in compliance with ISO 14021. All Stationery lines now include at least one product made with alternative materials (in particular recycled).

A Velleda® whiteboard containing 50% pencil production residue was launched in France in 2019.

In 2021, BIC launched the BIC® ReVolution line in the United States. It includes ballpoint pens, mechanical pencils, permanent markers and correction tape made from alternative materials. The BIC® ReVolution retractable ballpoint pen is made from 73% recycled plastic, the stick ball pen contains 74% recycled plastic, and the mechanical pencil is made from 65% recycled materials.

In 2021, BIC has also launched a Shaver in alternative material, BIC Bamboo™, available in Sweden. This system shaver has a handle made from natural, renewable and responsibly sourced bamboo.

In the same year, BIC has also included recycled content in BIC Soleil® Click 3 and BIC Soleil® Click 4 (30% of recycled content in the handle) and in BIC® Hybrid 3 Comfort®, Hybrid 3 Flex® and Hybrid 3 Flex Sensitive® (90% of recycled content in the handle).

Finally, BIC launched in 2022 the upgraded BIC Soleil® Click 5, following a partnership with the supplier Avient to incorporate recycled-content thermoplastic elastomer in its handle a first in the Blade Excellence division, reaching over 40% of recycled content in total.

In 2022, BIC launched the new BIC® Maxi Ecolutions, a new version of the BIC® Maxi Lighter using alternative materials such as bio-attributed plastic and 55% recycled metals

The "4 Rs" – Design and manufacture Refillable products

In keeping with its "4 Rs" philosophy, BIC makes an ongoing effort to launch refillable products. However, in the case of low-end Stationery products consumer demand for refills is virtually non-existent. In the case of lighters, BIC's highest priority is ensuring consumer safety.

In the Human Expression division, BIC continues to offer refillable pens: the BIC® Gel-ocity® line of gel ink pens and the 4-Color™ line are all refillable. As an example, in France and UK markets, pen refills are available on www.bic.com.

In 2021, the Group launched BIC® Cristal® Re'New®, a premium, refillable, and even more durable version of the emblematic BIC® Cristal® pen. It features a matte metal barrel and a push-button for easy refilling and is sold in cardboard packs containing one pen plus two refills.



In the Blade Excellence division, the BIC® Hybrid shaver has one handle and four-to-six razor cartridges. The underside of the handle is also ribbed to reduce the use of plastic without altering the shaver's ergonomic characteristics, which are the same as conventional handles. Because it comes with four-to-six heads razor cartridges, the product's performance life is at least four times that of a standard non-refillable shaver. Over its life cycle and for one year of shaving, the environmental impact of the BIC® Hybrid shaver is 28% lower than that of a similar non-refillable BIC® model such as BIC® Comfort 3® Action®.

In 2020, BIC acquired Rocketbook®, the number one brand in the United States for reusable smart notebooks. Its products meet the needs of many consumers, allowing them to scan, store and share handwritten notes quickly and efficiently in an environmentally-friendly way. The line of affordable, innovative products from Rocketbook® offers consumers a complete and sustainable ecosystem for writing and creativity.

The "4 Rs" – Design and manufacture Recyclable products and explore new recycling channels

In keeping with its "4 Rs" philosophy, BIC constantly strives to make its products more recyclable. This is achieved by improving their design and by exploring all available recycling channels to understand the product end-of-life phase.

Since 2011, BIC has been exploring channels for the recycling of its products. Working collaboratively with different stakeholders, BIC initiated an independent recycling industry, which offers a unique circular economy model in France. This circular economy sector is built on two key partnerships:

- **BIC's partnership with TerraCycle®** for the collection of used writing instruments in Europe since 2011. A pioneer in this field, the program allows product users to organize the collection and recycling of all types of writing instruments, whether or not BIC® branded. For each instrument collected, one euro cent is donated to a charity or non-profit of the organizer's choice or, in the case of schools, directly to the school to fund educational projects. At end-2022, over 73,3 million pens had been collected and 854,000 euros in donations made. This program, funded entirely by BIC, enables the Group to:
 - gain a better understanding of the mechanisms of recycling systems;
 - encourage responsible consumption (using products up to the very end of their service life); and
 - promote waste sorting at the site of consumption.

Following its European success, the program has been rolled out in Australia in 2019 and in the United States in 2020 and tested in New Zealand between 2019-2021.

- **A partnership with Govaplast and Plas Eco** for the design, manufacture and distribution of "Ubicuity™, the 'write' kind of bench™" furniture. Used pens are collected, sorted and shredded by a recycler. The plastic is shipped to Govaplast, which converts it into recycled plastic boards. The boards are

in turn used by Plas Eco, which designs, manufactures, distributes and markets the products in the Ubicuity™ line.

Made entirely from recycled plastic, these products are themselves recyclable, resistant to rot, ultraviolet radiation and graffiti as well as very durable (guaranteed 10 years). Long-lasting and easy to maintain they are in keeping with the Values of BIC® products. They also have a smaller environmental footprint than outdoor furniture made from farmed wood.

BIC hopes that this product line and the circular economy channel that spawned it will grow rapidly in the coming years, as exemplified by the program's extension to other geographies in recent years.

In 2021, BIC has expanded its partnership with TerraCycle® launching its first free razor recycling program in Spain. BIC and TerraCycle® collects razors across the country and recycle them into soap holders or other toiletries to support the development of the circular economy. The Spanish program accepts all disposable razors regardless of brand or type and provides a map of collection points on the TerraCycle® website. Once collected, the razor pieces will be separated and recycled into raw materials and manufactured into new products, helping manufacturers avoid the use of excess virgin raw materials.

In 2022, the TerraCycle® French program experienced a significant acceleration in the number of collection points for used goods (400 additional terminals were installed compared to 2021) thanks, in particular:

- the renewal of the recycling operation for used writing instruments during the Back-to-school season at the main retail chains: Carrefour, Leclerc, Auchan;
- an acceleration in local networks, allowing collection throughout the year at Cultura, Bureau Vallée, & Furet du Nord⁽¹⁾.

For more than four years the Flame for Life division has been testing several collection and recycling loops. The goal is to understand consumer behavior with regard to collection and recycling. In 2021, collection and recycling loops were implemented in the Balearic Islands, in response to local authorities' requirements. BIC has leveraged the new regulation in 2021 urging manufacturers to collect every product sold on the market. This allows for a full-scale observation of one possible collection model. BIC has in parallel designed several different models to test many options as well as better understand consumer behaviors when they return their used lighters. This has been done in partnership with local consumer association Consupal on the Balearic Islands and UQAM specialized laboratory (Responsible consumption). Consupal has been helping BIC with communicating and promoting the collection of lighters in the Balearic Islands. In the meantime, Plastic@Sea has been studying - in real life - plastic flows in the region to quantify the presence of plastics and understand where they come from, because of what conditions and other plastic pollution factors. By closely studying both lighter collection parameters, consumers' behaviors and real lighters flows, BIC intends to develop and test the most efficient way to drive effective collection loops and expand them at a much larger scale.

(1) Nearly 300 Bureau Vallée stores were equipped with recycling terminals for the start of the school year.



The BIC ecosystem, promoting the circular economy

Over the past years BIC has joined forces with key players to facilitate its shift toward the circular economy:

- in 2019, BIC signed up to the Circular Economy 100 initiative by the **Ellen MacArthur Foundation**. Its various programs will enable BIC's teams to expand their knowledge and skills while networking and collaborating with key organizations on the circular economy;
- in 2020, BIC also joined the **Plug & Play** network, the world's largest innovation ecosystem. This gives the Group easy access to the right partners and best startups to speed up R&D on new pertinent solutions and sustainable products that meet the ever-changing needs of consumers;
- with its partners **TerraCycle®**, **Govaplast** and **Plas Eco**, BIC is driving an innovative new channel to promote the circular economy, exploring plastic recycling techniques to pioneer and investigate possibilities further;
- since 2019, the BIC Lighters division has supported the **Tara Ocean Foundation**. Its oceanographic research vessel sails the world's oceans, bringing scientists together in an effort to understand the dynamics of plastic breakdown at sea. This research program also documents the impact of plastic waste on the oceans, with the long-term goal of identifying substitute materials;
- BIC has joined **Bio-speed**, a consortium looking to accelerate the emergence of a biomass economy. It brings together a number of groups, including Danone, Faurecia, Lego, Michelin and L'Oréal. Its goal is to reduce fossil fuel dependency and the environmental footprint of manufactured products by promoting the conversion of non-food biomass into polymers;
- in the research of alternative materials, BIC has developed over 100 strategic R&D partnerships with startups, cutting-edge companies, universities, research institutes and external laboratories over the past years;

- in 2021, BIC teamed up with the supplier Avient to incorporate their reSound™ recycled-content thermoplastic elastomer in BIC Soleil® Click 5 handle. This material utilizes 62% recycled content and when combined with the razor handle it reached over 40% recycled content in total. A consumer launch was held in 2022;
- in 2022, BIC joined the ABSolEU project alongside research and industrial actors. The projects' purpose is to improve the knowledge on ABS⁽¹⁾ plastic recycling and pave the way for an ABS recycling revolution in the European Union.

Results

The "4 R's" in the product teams' everyday operations

BIC is making responsible innovation and the improvement of the environmental and societal footprint of products an integral part of everyday activities. To support this objective, the Group has developed a tool for evaluating its products: EMA (Environmentally & socially Measurable Advantage) Scorecard.

EMA uses eight criteria (service life, product weight, environmental impact of materials, the use of recycled and/or alternative materials, the materials' recyclability, etc.). Designed in keeping with the principles of the circular economy, EMA reflects the "4 Rs" philosophy while taking into account other environmental aspects (responsible chemistry, green chemistry, efficient manufacturing) and social considerations (benefits for society, affordability, etc.).

The goal is to stimulate and facilitate sustainable innovation by adopting an objective, scientific approach to design. Directly connected to the existing tools used for eco-design (Pulse LCA and SimaPro), EMA brings together all the R&D work around product improvement. The criteria defined for EMA are applied to all products (both new and updated existing products) and integrated into the innovation process.



TOOLS TO FACILITATE THE ECO-DESIGN PROCESS

Life Cycle Analysis

The practice of measuring the environmental performance of products has been extended by the Life Cycle Analysis (LCA) approach. This method assesses a product's total environmental impact in each successive phase. BIC often uses the simplified life cycle approach, which is similar to Life Cycle Analysis except that it does not include the final independent verification phase. From the outset of its Sustainable Development Program, BIC has been committed to the life cycle approach to verify that it is making steady progress on all fronts.

The product design teams are equipped with an array of tools such as Pulse LCA and SimaPro, which allow them to carry out comprehensive environmental assessments as well as rapid analyses to facilitate decision-making during design.

The measuring of product performance is a prerequisite to improving performance. BIC focuses on the stages of the product life cycle it can influence such as: raw material extraction, production and end of life.

In 2021, EMA has been fully integrated into the development processes for stationery products, lighters and shavers and the teams have been informed and trained on the use of EMA. EMA is systematically presented to new Group insights and innovation employees during their on-boarding into the BIC as well.

The requirement for a product launch is that its environmental or societal performance must be improved compared to its basic design. To achieve this, improvement plans are deployed in the three BIC® product categories. These are mostly based on the integration of recycled or alternative raw materials into the design. A 100% of the new products manufactured by BIC are subject to environmental and societal measurement thanks to the systematic usage of EMA.

(1) Acrylonitrile, Butadiene, Styrene.

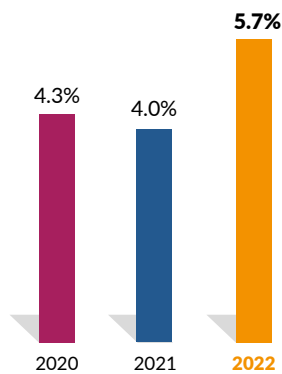


A version of the EMA for packaging has been tested in 2021. In 2022 this distinct version of EMA which relies on the same criteria as the product tool but is presented as a document, is employed to have a complete performance of the final product alongside the packaging, thus supporting the day-to-day decision-making of packaging by the development teams.

By the end-2022, three BIC® products have been improved compared to their baseline version. The decrease in 2022 is due to a reduction in the Blade Excellence and Human Expression innovations programs, compounded with a lower-than-expected societal performance of the Blade Excellence products.

In 2023, BIC will work to update EMA's methodology by reinforcing current criteria, integrating new criteria and adding specific GHG emissions indicators.

PERCENTAGE OF RECYCLED/ALTERNATIVE PLASTICS IN BIC® PRODUCTS
(% of volumes purchased)



In 2022 the use of non-virgin plastic was of 5.70%. This increase is due to the Blade Excellence programs to boost the use of recycled materials in their products.

3.2.3.2.3 Applying the “4 Rs” philosophy to packaging [NFPS]

Packaging is needed at various stages of BIC® product life cycles: for their protection, shipping, storage and sale, and for promotional support. BIC’s packaging primarily consists of boxes and cases made of plastic, paper and cardboard. This packaging has an environmental impact during its manufacturing, shipping and at end of life.

Historically, BIC promotes selling products without consumer packaging or in value packs. In Europe:

- 79% of writing products are packaged in boxes, trays or pouches of at least ten products (84% in North America);
- 76% of lighters are sold in trays of at least 50 (64% in North America); and
- 82% of shavers are marketed in pack of five, 10 or more (69% in North America).

BIC has launched multiple Group-wide initiatives in keeping with its “4 Rs” philosophy. A few examples are given below.

The “4 Rs” – Reduce the consumption of materials

BIC actively seeks to reduce the weight and volume of its packaging through multiple targeted actions around the world in accordance with local distribution models.

For example, in the USA, the 1pack Lighter size has been reduced, saving 12 tons of packaging material.

The “4 Rs” – Use Recycled or alternative materials

BIC estimates that at the end of 2022:

- 54.7% recycled materials are used in BIC plastic packaging; 2.6 point increase vs 2021 is mainly due to more recycled content used in PET blisters;
- 97.7% of BIC paper and cardboard packaging comes from certified and/or recycled sources.



The “4 Rs” – Design and manufacture Recyclable or reusable packaging

In 2020, the Group announced that by 2025, 100% of its plastic consumer packaging will be reusable, recyclable or compostable.

After BIC® Hybrid Flex® and BIC Soleil® Click shaver range moved in 2021 to a 100% recyclable cardboard, some products switched from plastic to cardboard packaging in 2022:

- In the United States, the plastic pouch for BIC® Mechanical Pencil 8-pack, 10-pack and 12-pack has been replaced by a 100% recyclable cardboard case with recycled content, for annual savings of 3.3 tons of plastic;
- in Europe, Maxi Lighter pack of 4 has been launched in Europe in fully recyclable cardboard packaging.

New launch of BIC Lighter Ecolutions has been achieved in pack of 2 and 4 in fully recyclable cardboard packaging.

In the USA, some Djeep lighters and Body Mark Beauty products were launched in paperboard packaging.

At the end of 2022, the total packaging used by BIC will be 81% cardboard packaging (including primary packaging, cardboard outer boxes and displays), and 19% of plastic packaging.

By the end-2022, 70% of plastic used in consumer packaging was reusable, recyclable or compostable. It is a 10.4 point increase vs last year mainly due to:

- the switch to cardboard on some products;
- the move from PETG to PET ARA for shaver factories;
- the commitment to eliminate the use of PVC in packaging. The Group has already eliminated PVC in Europe, in the United States, in MEA and Mexico. Remaining PVC in South America will be switched to RPET mostly in 2023. At the end of 2022, 96.2% of BIC plastic packaging is PVC-free.

For the sale of several product ranges in the three categories, BIC uses semi-permanent “refillable” plastic displays and recyclable cardboard displays.

The use of reusable wood pallets has increased in 2022 in our European copacking and Hub center in Slovakia (multiplied by 16 vs 21).

In Europe for products sold in France and Italy, BIC has updated packaging sorting texts and logos on all packaging for a better recycling rate in conformity with local regulation.

IMPROVEMENT IN PACKAGING

	2020 ^(a)	2021 ^(d)	2022 ^(d)
Percentage of cardboard packaging from certified and/or recycled sources	97.3%	97.4%	97.7%
Percentage of plastic packaging that is PVC-free	94.4%	95.6%	96.2%
Percentage of reusable, recyclable or compostable plastic in consumer packaging ^{(b) (c)}	42.5%	59.6%	70.0%
Percentage of recycled content of plastic packaging ^(b)	48.9%	52.1%	54.7%

(a) Cello (India), Canada, Oceania, Kenya, Europe local copackers, Latin America local copackers, Asia OEM excluded in 2019 and 2020, included in 2021 (see scope in Section 3.5.3.2).

(b) Indicator measured for the first time in 2020 as part of BIC's 2020 commitment.

(c) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

(d) Excluding BIC Graphic, new acquisitions and certain OEMs.



3.2.3.2.4 Waste [NFPS]

Total waste production

As part of its operations, BIC generates both Hazardous and Non-Hazardous waste. Non-Hazardous waste accounts for 86% of the total (in tons) and includes, for example:

- packaging waste;
- manufacturing waste (production scrap, plastics, metal, wood, cardboard...);
- maintenance waste (metal, paper); and
- waste from employee activities.

Hazardous waste, which accounts for 14% of total waste (in tons), is mainly generated by the manufacturing processes and includes for example:

- absorbents (filters, activated carbon, etc.);
- chemical substances (solvents, inks, etc.);
- WEEE ⁽¹⁾ (lamps, batteries, etc.);
- manufacturing waste (such as paper/cardboard, metal or wood polluted with chemical substances, etc.).

Over the years, BIC has developed a global waste management policy and many programs at factory level to promote waste reduction and ensure waste is suitably recovered.

In 2022, various projects were undertaken at BIC facilities:

- The BIC Conté Samer facility completed a hazardous waste reduction project. This project transformed 50% of the rinsing ink process water into non-hazardous discharge. This facility implemented another waste reduction project to decrease fine lead waste by reintroducing this waste in the graphite compound process.
- BIC Bizerte devised a plastic scrap reintegration process with the goal to reduce 5% of the total scraps in 2023. Likewise, this facility introduced a program to reuse wooden pallets.
- BIC Cello initiated two new waste reduction projects. The first one with the objective to reduce hazardous waste and chemical consumption in refill cleaning process by employing less hazardous chemicals. The second project aims to reduce ink pad consumption by 20% in the printing machines.
- BIC Nigeria (Sagamu), in compliance with local environmental regulations, improved its waste collection process to identify recyclable waste and to implement waste reduction plans.
- BIC Rasoirs is looking into innovative solutions to prevent plastic pellet waste.
- BIC Viorex, launched a new research and development project with the purpose to reduce the PERC & White spirit waste in two degreasing production processes in the near future.
- BIC Shavers Mexico (Saltillo), is collaborating with its waste management service provider to reduce non-recyclable waste sent to land disposals.

BIC's achievements in 2022 in terms of waste production and management were as follows:

- a 2.2% decrease in the quantity of waste generated per ton of production between 2021 and 2022 due to waste reduction initiatives in BIC Rasoirs (35.2% waste decrease) as well as the increase of the production volumes compared to 2021;
- a stable rate of recovered waste generated per total waste and a slight decrease in the rate of recovered waste generated per ton of production (-2.4% vs 2021);
- the percentage of recycled waste remained stable between 65.4% in 2021 and 65.6% in 2022;
- although hazardous waste sent to land disposal normalized to total quantity of hazardous waste decreased by 5.4%, total landfill wasted disposal increase by 8.7% normalized to the total quantity of waste generated between 2021 and 2022.

ANNUAL PRODUCTION OF WASTE NORMALIZED TO PRODUCTION - IN TONS/TON - BIC



(1) Electrical and electronic waste equipment

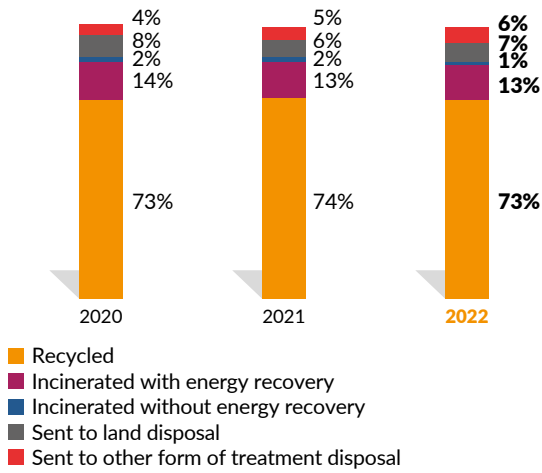


Non-hazardous waste

BIC's achievements in 2022 regarding the production and management of non-hazardous waste were as follows:

- the quantity of non-hazardous waste per ton of production remained stable (-0.57% vs 2021);
- in the main offices, waste production totaled 245 tons, up 136% in 2022.

BREAKDOWN OF NON-HAZARDOUS WASTE - % OF TOTAL EXPRESSED IN TONS - BIC



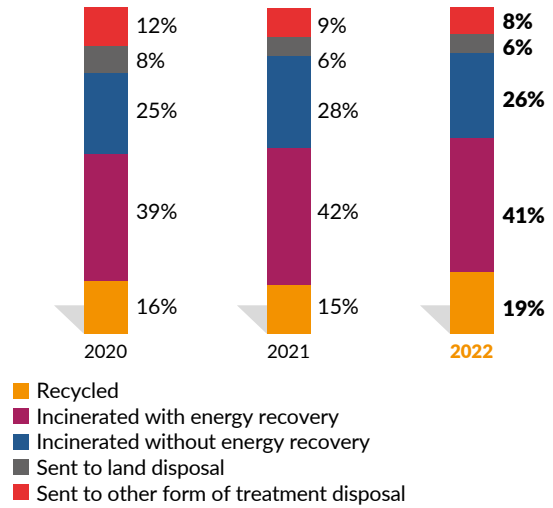
Hazardous waste

Some factories are equipped with wastewater treatment plants to treat hazardous waste. This is the case of water from surface treatment workshops, which is transformed into metal hydroxide sludge that can be processed to eliminate almost all environmental risks.

BIC's achievements in 2022 regarding the production and management of hazardous waste were as follows:

- a 11.3% decrease in the quantity of hazardous waste per ton of production between 2021 and 2022, mainly due to the Group's optimization of industrial processes and equipment.

BREAKDOWN OF HAZARDOUS WASTE TREATMENT - % OF TOTAL EXPRESSED IN TONS - BIC



3.3. SOCIAL [NFPS]

For over 75 years, BIC has been creating ingeniously simple and joyful products that are a part of every heart and home. The hard work and dedication of the Group's team members from across the globe has been key to the success as a business.

The Group's workforce of 15,000 people supports operations in more than 160 countries, with approximately 4 million sales outlets worldwide. This makes BIC a truly global business, reflecting the diverse backgrounds and experiences of the communities where BIC's products are available globally.

As the Group perpetuates its vision of bringing simplicity and joy to everyday life for consumers in collaborative, sustainable and responsible ways, the BIC Human Resources team, along with senior leaders, continues to foster a shared corporate culture that is deeply rooted in our BIC Values, philosophy and rich history. All team members clearly understand how their work directly influences the Group's organizational success as the team guide BIC into the future.

In 2022, BIC prioritized several key initiatives to help align its organization with the *Invent The Future* strategy and *Horizon Plan*, including:



3.3.1 OUR WORKFORCE

As BIC continues to re-imagine everyday essentials, BIC recognizes the importance of building highly skilled, capable teams. At BIC, self-starters, problem solvers and innovative thinkers come together to reach our consumers in new, sustainable and responsible ways.

3.3.1.1 The workforce

For the year ended December 31, 2022 BIC had 10,580 permanent team members, 781 fixed-term contracts (FTC) and an average of 4,441 temporary staff in 45 countries.

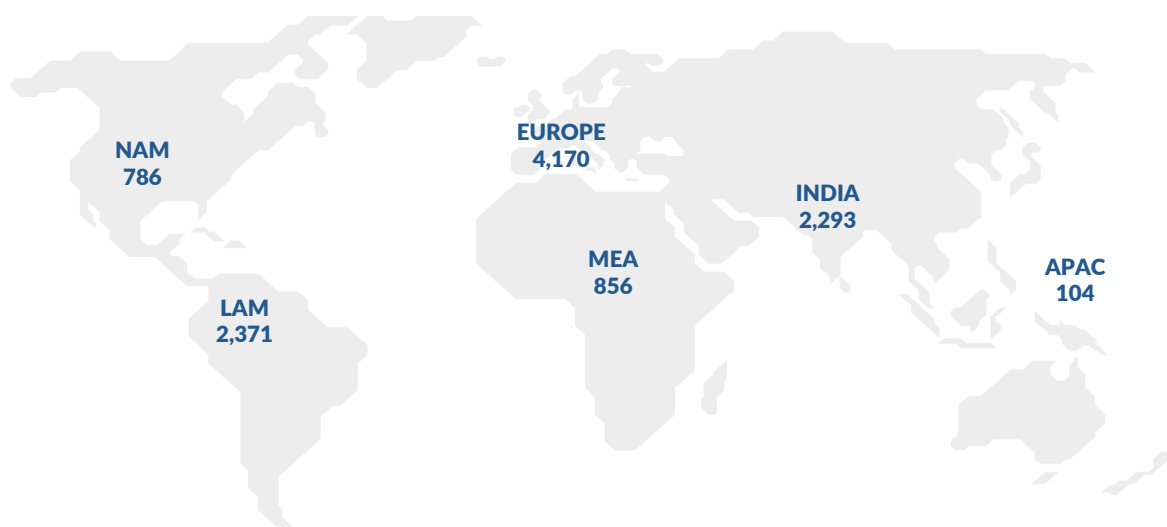
Learn more about how BIC has built diverse, collaborative and results-driven teams in 2022 and continues to evolve its people-focused approach to business, below.

3.3.1.1.1 Breakdown of workforce by region, activity and age

Aligned with the *Invent The Future* strategy, BIC continued to focus on the continued transformation of the business and ensuring the right organization is in place to support the growth ambitions outlined in the *Horizon Plan*.

To achieve these goals, the Group's global workforce will need to adapt to evolving business processes and meet consumer needs. Now, more than ever, it is critical that BIC's team members come together to bring their unique perspectives, experiences, and ideas. In 2022, the workforce increased globally, further reflecting the communities where our products are available worldwide.

PERMANENT WORKFORCE BY REGION



WORKFORCE PER REGION - AT DECEMBER 31

Workforce per region	2020	2021	2022	Change 2022/2021
Europe	4,025	4,022	4,170	3.7%
North America	740	729	786	7.8%
Latin America	2,163	2,297	2,371	3.2%
Middle East and Africa	683	725	856	18.1%
India	3,524	2,606	2,293	-12.0%
Asia-Pacific	111	92	104	13.0%
TOTAL PERMANENT STAFF	11,246	10,464	10,580	1.0%
Temporary Staff, Including Fixed Term Contracts, Interns & Apprenticeships	2,506	3,641	5,318	46.1%
• Average FTE Temps through Agency	1,919	2,935	4,441	51.3%
• Interns & Apprenticeships ^(a)	-	-	96	-
• Fixed-Term Contracts	587	716	781	9%
TOTAL^(b)	13,752	14,115	15,898	12.7%

(a) Interns & Apprentices were reported within Fixed term Contract data prior to 2022.

(b) A minor adjustment of + 3 has been noted on the FY2021 headcount data (-7 permanent and +10 Fixed Term Contracts).

PERMANENT TEAM MEMBERS – BIC BUSINESS UNIT

Business unit	2021	2022
Group Commercial	1,931	2,004
Graphic	230	271
Group Supply Chain	6,725	6,594
Lighters	931	973
Group Insights & Innovation	191	193
Group BIC Services	216	232
BIC Group	1	1
BIC Foundation	1	1
Corporate Stakeholder Engagement	4	3
Group Communications	15	16
Group Finance	41	50
Group HR	41	58
Group IT	98	108
Group Legal	36	33
Strategy & Business Development	10	15
Group Partnerships & New Business	-	28

PERMANENT TEAM MEMBERS - AGE GROUP

	2021	2022
Under 20 years	0.5%	0.3%
20 to 29 years	13.1%	12.7%
30 to 39 years	32.1%	31.5%
40 to 49 years	32.4%	32.5%
50 to 59 years	19.1%	20.2%
Over 60 years	2.7%	2.8%

3.3.1.1.2 Recruitment and Talent Attraction

Now, more than ever, bringing the best and brightest minds to BIC has become mission critical. As the Group continues its business transformation, the Recruitment Center of Excellence (COE) works to support the expansion of its teams worldwide.

With team members sitting across the globe, the Talent Acquisition team continues to reinforce best-in-class recruitment techniques/processes and has expanded the breadth and depth of their work with the key initiatives outlined below, in 2022:

- Crafted and launched Employee Value Proposition (EVP) both internally and externally *via* the Group's careers website and blog, after conducting leadership and recruiter interviews and solicited employee feedback globally *via* surveys, to provide messaging framework to position BIC as an employer of choice with candidates and further engage current team members.
- Launched a new, global Applicant Tracking System (ATS) and Candidate Relationship Management (CRM) software (SuccessFactors), to manage recruitment activity, streamline application and screening processes, feedback solicitation and increase pipelining capabilities. In addition to process improvement, this new system offers increased visibility into data and key metrics.
- To continue to position BIC as an engaged employer, the HR teams continue to post content and respond to reviews on Glassdoor. BIC's overall score averaged at 4.1 out of 5 for the year, a 2.5% increase from 2021.
- In the spirit of continuously improving upon the recruitment process, HR teams measure satisfaction and effectiveness through several team member surveys, specifically focusing on the experiences of candidates, new hires and hiring managers. They received an average net promoter score of 56, falling into the "Great" category for satisfaction.
- BIC continued to support the development of the next generation entering the workforce through university recruiting efforts for internship in the United States and Latin America and apprenticeship programs in Europe. The Group provides students with real-world world experience and bolsters interest in full-time career opportunities with BIC post-graduation.
- To bolster team comradery and focus on continuous improvement, Talent Acquisition leadership recognizes team members quarterly with "Recruiter of the Quarter" and "Recruiting Team of the Quarter" awards. Team members use these sessions to share best practices and key learnings from their peers.

4.1
GLASSDOOR
RATING

3.3.1.2 Sharing our values

Legacy

BIC began simply and humbly – with a vision and a pen. The intent was to address an unmet consumer need: smooth, effortless writing that was both affordable and could free the hand for Creative Expression. The result was BIC making the art of writing accessible for all. By providing millions of people with access to a high quality, everyday item offering significant Value, the BIC® Cristal® ball pen became a symbol of accessibility for people everywhere.

After creating a revolution in writing, BIC went on to innovate in pocket lighters, setting new, ever-improving standards for enhanced consumer safety. BIC continued its innovation journey in Shavers, bringing convenience and ease of access to the category.

At the heart of BIC is great pride in enhancing the daily lives of consumers with simple, well-designed solutions for everyday use. We advocate for sustainability through **smart design**, the long life and versatility of our products, and our philosophy of **minimalism**. We strive for excellence in all aspects of our operations, from ensuring precision manufacturing and the highest safety standards, to delivering high quality products, with a focus on customer satisfaction.

The **entrepreneurial family heritage** has created a foundation for team members to re-imagine consumer solutions. They are passionate about engaging with consumers and customers and honoring the diversity of the communities we serve. As a result, our brand is universally recognized and trusted as a **beacon of reliability and value**.

Vision

Bring simplicity and joy to everyday life

BIC's ambition is **to create a sense of ease and delight** in the millions of moments that make up the human experience. It is this passion for bringing simplicity and joy to people worldwide that drives the team members each day.

BIC reimagine **everyday essentials**, designing products that are part of every heart and home.

BIC believe we **positively impact the world** by offering sustainable solutions that respect the planet through smart design and the creation of products that last.

Mission

BIC creates high quality, safe, affordable, essential products, trusted by everyone.



Values

VALUES INSPIRE OUR DAILY ACTIVITY

<p>INTEGRITY</p> <p>We are honest, open and fair, and demand an environment where everyone feels respected included and heard.</p>	<p>INGENUITY</p> <p>We dream big and create clever, simple, yet bold solutions for our consumers, customers and teams.</p>	<p>RESPONSIBILITY</p> <p>We make courageous, timely decisions and deliver ambitious results that delight consumers across the world.</p>
<p>SUSTAINABILITY</p> <p>We drive sustainable growth while making meaningful contributions to our team members, communities and the world.</p>	<p>SIMPLICITY</p> <p>We believe that simple solutions are often the best solutions. When faced with complexity, we respond with clarity.</p>	<p>TEAMWORK</p> <p>We set high standards, trust each other, and work together across boundaries, holding ourselves and each other accountable.</p>

Communication

BIC continues to reinforce its Vision and Values as well as the Horizon Strategy through a variety of communications channels. Live and virtually recorded Town Hall meetings as well as our intranet platform provide team members with business and market updates on a timely basis. In April 2022, the Horizon Leadership Summit, hosted in Barcelona, provided 100 leaders from around the world with the tools and resources needed to fully understand their role in the successful execution of the strategy, creating a true OneBIC feeling after two years of limited in-person exchanges due to the pandemic. The leaders present in Barcelona have taken the materials from the summit and deployed the learnings and the knowledge throughout the organization, with regional and local summits being held around the world.

Reward and Recognition

As part of the continued commitment to the team members, Vision and Values, BIC reintroduced the “BIC Team Member Recognition Awards.” This new annual recognition program was launched in 2021 to shine the spotlight on the incredible achievements and successes from our teams around the world.

Award categories were inspired by objectives associated with the Horizon Plan, putting strategy and the team members who are executing against it front and center. The awards fall into two categories:

1. Group Excellence Awards:
 - team members around the Globe nominated over 300 of their colleagues for leadership consideration across the following awards: BIC Leader Award, Rising Star Award, Global Citizen Award, and Business Partner Award.
 - leadership nominated and selected winners for the OneBIC Team Award;
2. Functional Capability Excellence Awards: Leadership across the Company selected the winners for the Country of the Year: E-commerce, Country of the Year: RGM, Customer-driven Supply Chain, Procurement, Plant Safety, Plant Efficiency, Free Cash Flow, M&A/New Business Partnership

3.3.1.3 Working conditions [NFPS]

For the Group, workplace safety means ensuring the physical and mental well-being of team members by preventing accidents and occupational diseases.

For BIC, the health and well-being of team members also means reducing the incidence of work-related diseases, primarily musculoskeletal disorders and psycho social risks (PSR) such as stress. BIC keeps a close watch on these issues and constantly strives to reduce all forms of job-related suffering.

To this end, in conjunction with the above-mentioned approaches, programs to promote well-being at work are coordinated Group-wide and rolled out locally as required by each facility.



3.3.1.3.1 Risks and opportunities ^[NFPS]

[NFPS Risk 4] BIC has identified “health-safety in the workplace” as one of the major CSR risks resulting from its operations. BIC’s operations, both industrial and commercial, expose workers to various occupational risks (physical, chemical, psychosocial, biological, ergonomic) that differ from function to function (headquarters, factories, sales force). Managing this risk is an opportunity to position

BIC as a desirable employer through an ambitious health and safety policy.

For the Group, a commitment to improving safety in the workplace is key to team member engagement. This helps build loyalty.

The information on health and safety in the workplace presented in this chapter covers all the Group’s operations.

TEAM MEMBER SECURITY IN TERMS OF GEOPOLITICAL RISKS

For many years, BIC has relied on its world-recognized partner International SOS to help its employees plan business travel in optimum health and safety conditions. This involves providing them with all necessary information and assistance prior to departure and during the completion of travel formalities.

Employees are apprised of all potential health and safety risks as well as political and climatic conditions prior to arrival. International SOS also provides immediate logistical assistance in the case of an unforeseen development affecting international travelers and the health and safety of expatriates. An emergency service is also available to inform BIC of any serious event that may impact its employees.

In 2020 and 2021, as part of BIC’s health procedures, employees were instructed to check their travel conditions via the International SOS platform prior to departure.

In addition, since 2018, BIC Middle East has been using Travel Tracker, a tool offered by International SOS, to pinpoint each traveler’s location without compromising any private information.

These initiatives were created as part of a proactive risk reduction strategy that uses safety and assistance as bywords.

3

3.3.1.3.2 Policies, actions taken, results and outlook ^[NFPS]

Writing the Future, Together – #3 Committing to a safe work environment ^[NFPS]

Safety in the workplace is a fundamental priority for BIC. The “Writing the Future, Together” program embodies this commitment by targeting zero accidents at all BIC facilities by 2025.

The Group uses all available means:

- health and safety management;
- ongoing improvement of working environments;
- working time arrangements;
- raising awareness of safety issues.

Inspired by the “Vision Zero” approach developed by the International Social Security Association⁽¹⁾, the Group is developing a program that incorporates health, safety and well-being at work, at every level. The goal is to achieve zero sick leave days due to on-site accidents for everyone who works for BIC.

This is based on the ISSA’s Seven Golden Rules:

1. take leadership – demonstrate commitment;
2. identify hazards – control risk;
3. define targets – develop programs;
4. ensure a safe and healthy system – be well-organized;
5. ensure safety and health in machines, equipment and workplaces;
6. improve qualifications – develop competence;
7. invest in people – motivate by participation.

This “zero accidents” goal requires extra effort on the Group’s safety culture and policies across all operations, and includes the implementation of specific local actions.

BIC’s Environment, Health & Safety Policy ^[NFPS]

BIC adopts a Health & Safety program that allows it to guarantee a working environment that protects the physical integrity of team members. In keeping with its Environment, Health & Safety (EH&S) Policy, BIC strives to prevent or at least reduce health and safety risks for its team members, subcontractors and those living or working near its production facilities.

The Group rolls out safety management systems at its production facilities. Each facility has an EH&S manager in charge of the roll-out of the EH&S Policy and following up efforts to reduce health and safety risks faced by team members. They report to the industrial directors.

Within the Global Supply Chain business unit, the Group’s health-safety program is built around a number of tools that continue to evolve in line with the organization’s needs:

- the “e-EHS Suite” platform, which monitors and manages workplace accidents (evaluating risks, recording and documenting accidents, defining corrective action plans), allowing each entity in the organization to define an effective action plan;
- **safety reporting** extended to all BIC facilities (factories and headquarters);
- an **Environment, Health & Safety reference system**, also called the EH&S maturity reference system;

(1) The International Social Security Association (ISSA) is an international organization uniting social security authorities and institutions around the world.



- **safety watch** (behavioral observation visits) are conducted in factories. Carried out with the team members, these visits consist of questioning unexpected behavior in a spirit of ongoing improvement and dialogue;
- **Global Safety Call**, a monthly conference call with the factory directors, their EH&S managers and the management team.

Roll out of the health and safety culture ^[NFPS]

In 2022, the Group identified two key focus areas to achieve the Zero Lost Time Incidents target by 2025:

- setting up a machine safety level threshold across all sites, and;
- increasing the safety culture maturity among our team members.

Based on these key focus areas, the Group launched several initiatives in 2022, including:

- performing internal audits by the central Environmental Health and Safety (EH&S) team in the vast majority of the facilities. The audit topics were specific per site, based on checklists communicated in advance. Detailed reports were shared with all stakeholders at the end of the audit. The action plan progress is monitored on monthly basis;
- updating the Group's EH&S policy, signed by the CEO and shared to all facilities;
- launching a key performance indicator campaign to encourage team members to dynamically report unsafe events. Thanks to this campaign which began in July 2022 and lasted until September the Group saw a decrease of 33%⁽¹⁾ in incidents recorded *versus* the same period last year;
- reestablishing ISSA's Seven Golden Rules, which are customized to each facility's major hazards and risks and woven into management responsibilities;
- organizing safety days to engage and train team members on EH&S topics;
- reviewing critical standards such as incidents investigation, reporting and change management;
- sharing lessons and best practices in the EH&S SharePoint which is open to all internal stakeholders;
- choosing certain reported incidents as examples to be shared among all facilities to promote knowledge sharing and implementation of key measures when required;
- organizing safety stand downs to raise team members' awareness about serious incidents;

- instituting monthly training sessions for EH&S teams on advance technical subjects;
- inviting external stakeholders to train EH&S team members on machine safety as well as to discuss relevant EH&S topics;
- implementing machine safety assessments at all facilities;
- prioritizing action plans to improve machine safety across all facilities.

Across all BIC facilities, accidents resulting in lost work time for BIC team members are mainly caused by same-level falls and the handling of materials and machines. In 2022, BIC recorded 60 lost-time injuries for BIC paid employees and 10 more for external temporary workers, while 50 facilities had 0 accidents. These results show no decrease in the number of incidents for BIC employees this year and a significant increase of the incidents where external temporary workers are involved.

The incident rate for BIC employees and temporary workers was 2.09, while the severity rate remained stable at 0.10 from 0.11 one year ago.

The development and implementation of actions plans continued in 2022 with a view to an increased safety culture and a decrease in this rate. A Safety Focus Action Plan for the Top 5 Factories was executed in 2022 which included:

- analyzing the incidents in 2022, especially those with high number of lost workdays, and seek patterns;
- based on the findings of the incidents analysis, decide on focused actions, prioritizing those that eliminate the risk;
- set targets, monitor, and act upon the leading indicators (first aid cases, near misses, behavior based safety);
- communicate strongly the importance to the teams and urge leadership teams to drive by example.

Most of the occupational diseases, which so far have only been monitored in France, are related to musculoskeletal disorders.



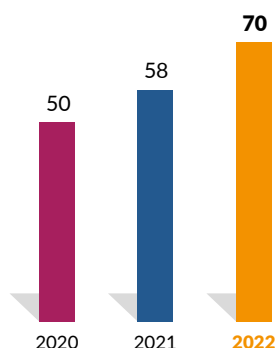
60 lost-time injuries for BIC permanent and fixed-term employees and 10 lost-time injuries for external temporary workers and 50 facilities without injuries.



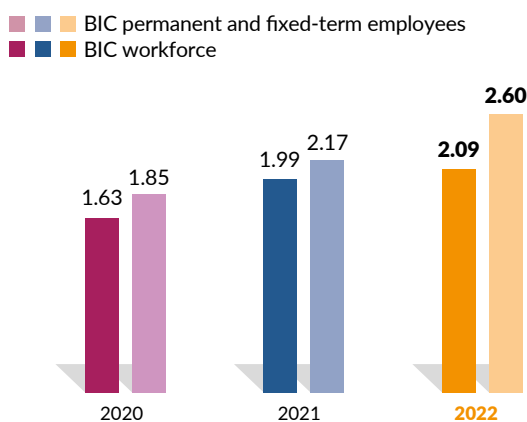
(1) For the Global Supply Chain business unit



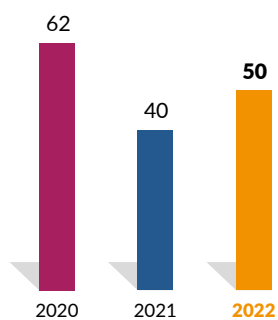
NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – BIC WORKFORCE



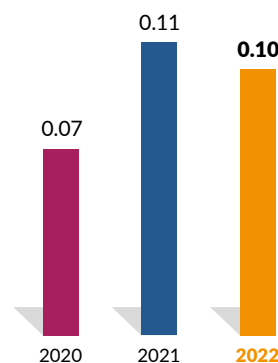
NUMBER OF FACILITIES WITHOUT LOST-TIME INJURIES - BIC WORKFORCE



INCIDENT RATE: NUMBER OF ACCIDENTS RESULTING IN LOST-TIME – PER MILLION HOURS WORKED – BIC WORKFORCE



SEVERITY RATE: NUMBER OF CALENDAR DAYS LOST DUE TO AN ACCIDENT – PER THOUSAND HOURS WORKED – BIC PERMANENT AND FIXED TERM EMPLOYEES



Team member well-being campaigns and services

Well-being at work is defined by the World Health Organization (WHO) as “a state of mind characterized by a satisfactory harmony between the skills, needs and aspirations of the worker on the one hand and the constraints and possibilities of the work environment on the other”.

The Group strives to build a collaborative, performance-oriented environment while preserving the health and well-being of team members in the workplace.

This has led, in particular, to the development in some countries of agreements with trade unions based on principles such as work-life balance.

The Group is actively involved in preventive actions in terms of safety, occupational health and well-being such as preventing and monitoring occupational diseases, psychosocial risks, etc., and relays public health prevention campaigns (Pink October, World Mental Health Day, etc.).

For example, during the month of October for “Pink October” in France, actions, webinars, video Yoga classes took place to raise women’s awareness of breast cancer screening.

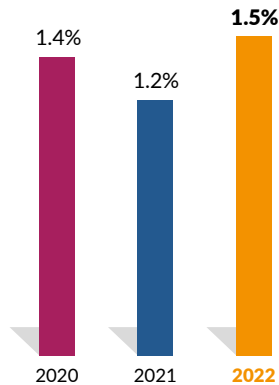
On October 10, 2022, for World Mental Health Day, great initiatives were set up in some countries. In Australia and New Zealand, with their partner for two years, Smiling mile, employees were invited to take a break to imagine and create using our product “BIC Intensity”. In Kenya, boxes with anti-stress products were distributed to employees.

BIC East Africa, conducted medical checkups for all team members as well as provided a toll-free counselling line linked to the local medical insurance. This facility is subscribed to ICAS, an international counselling service provider. This facility offers medical insurance to team members and their dependents. They established a benevolent fund that is run by team members to support them in the event of the loss of a loved one, in addition to a benefit geared to ease the financial burden on team members when they lose a dependent or a parent.



An Employee Assistance Program (EAP) has been in operation for several years in the United States (at BIC CORPORATION), in France (the PASS program), in the Asia-Pacific region and in Latin America. Set up for the benefit of BIC team members and their families, this service offers a 24-hour helpline plus the possibility of face-to-face meetings with professionals.

ABSENTEEISM RATE FOR ILLNESSES LESS THAN THREE MONTHS OLD (EXCLUDING ON-SITE ACCIDENTS AND MATERNITY) – PERMANENT EMPLOYEES



BIC's absenteeism rate remains low, and we continue to actively monitor data across all sites in order to adapt action plans to local situations.

3.3.1.4 Team member development and equal opportunities [NFPS]

At BIC, development goes beyond just training. The team members are empowered to take ownership of their career paths and have access to the opportunities and resources they need to grow.

3.3.1.4.1 Risks and opportunities [NFPS]

[NFPS Risk 9] BIC has identified risks related to the skills of its team members among its primary CSR risks. This was especially true of the most experienced team members. BIC relies on the specific skills of its experienced team members, in particular in industrial operations. The loss of experienced team members could slow the Group's development plans and prevent the Group from implementing its strategy. For BIC, managing these risks is an opportunity to develop programs that favor the employability of our team members within and outside the Company.

In 2022, BIC implemented a new approach to learning at BIC. The Group is delivering focused capability growth by creating simple, engaging and personalized experiences for its team members through a variety of mediums (i.e., e-learning, virtual instructor-led training, programmatic learning and learning journeys). All offerings are aligned with business priorities and team member development needs. The development programs strive to help team members build community on a global scale, put their learnings into practice and empower participants to share their unique experiences and perspectives with one another.

3.3.1.4.2 Policies, actions taken, results and outlook [NFPS]

The People & Culture team continued to re imagine learning at BIC. The new learning strategy is driven by the transformation of the organization and team member expectations of development opportunities. Several of the key initiatives for 2022 are highlighted below:

- designed and launched BIC's new learning ecosystem for all team members. The launch of a new learning experience platform (Degreed) in combination with a new learning management system (SuccessFactors), provides team members the opportunity to build the right skills with a skills profile that they own, learning opportunities tailored to their goals and interests, and content curated (from millions of resources) to boost learning in the flow of work;
- designed and launched our new Signature Series:

Illuminate Program for People Managers

The Illuminate Program is a 14-week experiential program for people managers leading individual contributors. We have partnered with the Ken Blanchard companies to create an innovative and modern learning experience leveraging assessments, coaching, e-learning, virtual sessions, and leadership debriefs. Grounded in our new Core Competency model and Leadership Framework, the program's goal is to develop the essential capabilities required to be a successful leader at BIC. This includes: Building Trust, Situational Leadership, Giving and Receiving Feedback and Using Conversational Capacity. The first pilot was launched in June, with 20 team members in the learning cohort.

Ignite Program for Leaders of Leaders

The Ignite Program is a 17-week experiential program for leaders of other leaders. This program is the second in the series designed in partnership with Ken Blanchard companies. The program includes skill building in the following areas: Situational Leadership, Servant Leadership, Coaching, Team Leadership and Leading People through Change. The first pilot was launched in July, with 20 team members in the learning cohort.

LEAD Program for HIPO executives (High Potentials)

The LEAD (Lead, Elevate, Accelerate, Develop) program is an immersive 12-month experience for a diverse cross-functional group of Director High Potential Team Members. The program was developed in partnership with award-winning organizations including ExecOnline and their extensive network of elite business schools in the United States, with additional support from executive learning institutions. The LEAD program's goal is to deliver extensive business knowledge, research, expertise, and skill-building experiences to the participants. We are pleased to have just celebrated the graduation of our first cohort in early 2022, with high levels of satisfaction from participants as well as our sponsors. Our second cohort began their journey in April.

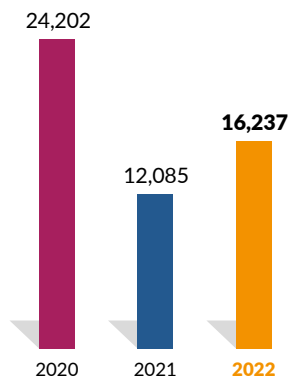


- continued the launch of several functional training courses designed by internal and external subject-matter experts to develop *Horizon* capabilities. Several interactive courses were delivered in the areas of e-Commerce, Revenue Growth Management, Negotiation, Finance and Marketing;
- continued the Group’s Global Mentoring Program. This program is intended to accelerate team member growth through a structured Mentor-Mentee development experience, train and prepare key talent on effective ways to be a successful mentor and provide a structured Mentor-Mentee relationship. This continues to be a staple program, driving capability growth and peer to peer feedback;
- the Group Commercial Capabilities CoE designed and launched the Commercial Academy in 2022. The pilot program provided

140 plus members of our salesforce (all levels) with the best-in-class tools and resources they will need to effectively contribute to our *Horizon* Strategy, specifically focused on growth insights, selling tailored solutions and executing with excellence;

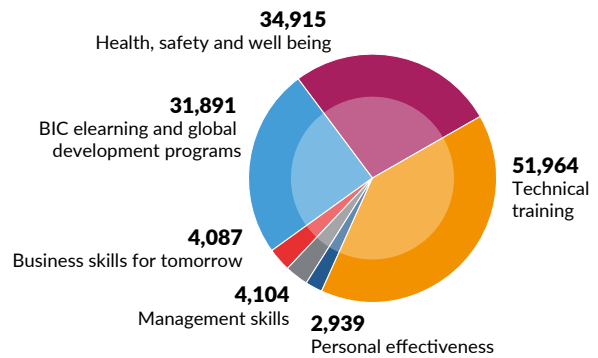
- continued to implement several upskilling programs to meet the development needs of our manufacturing population. Programs focused on four main priorities: reinforcing the importance of Environment, Health & Safety (EHS) with preventative measures and training, deploying lean methods (value stream mapping/six sigma) to increase efficiency and engagement, supporting the digital transformation of our processes, and launching processes and tools to increase workforce flexibility and to better manage production activity.

NUMBER OF TRAINING DAYS 2022 - PERMANENT EMPLOYEES



The total number of training days increased from 2021 due to the addition of several programs aligned to our continued commitment to the professional development of our team members globally.

NUMBER OF TRAINING HOURS PER THEME 2022 - PERMANENT EMPLOYEES



Mobility and succession plans

Talent Review sessions were facilitated by the People and Culture Team in partnership with Human Resource Business Partners (HRBP) in every business unit across every function. The sessions focus on effective and consistent identification of critical roles and High Potential team members and ultimately

stronger emphasis on aligning talent to the roles that are most critical for business success. Analysis of the Group's bench strength and development needs for BIC's High Potential team members are key outputs that directly impact the priorities of the Group's learning and development strategy. This visibility of BIC's High Potentials has fostered movement of the best talent in roles that drive the most value.

INTERNAL DEVELOPMENT 2022

Recruitment	2021	2022
External Recruitment	1,473	1,750
Inter-Company Move	95	379
Promotions	223	234

3.3.1.5 The compensation system

The remuneration policy at BIC is designed to recognize performance, rewarding team members with fair and competitive remuneration, in line with market conditions.

BIC proposes a coherent compensation and benefits policy that is designed to attract, motivate and retain our talent by being:

- **Competitive and equitable**

The Company deploys a policy across all team members that combines both market competitiveness and internal equity. Internal equity is measured using a global classification system.

Comprehensive salary survey data from specialized consultancy

firms is used so that our team members receive a total remuneration package in line with the market in which they work. BIC ensures that all entities respect local legislation with regard to minimum salary levels as defined either by law or by collective bargaining agreements.

Gender pay equity is considered a priority across the Company, and specific attention is paid to establishing pay equity in areas of the organization where a gap is identified. During the annual salary review process, the regional and business management teams are encouraged to pay particular attention to the topic, and a portion of the budget is dedicated to promoting diversity and ensuring equitable pay for a same level of responsibility.

Focus: Gender pay gap

In France and Italy, in accordance with national laws, BIC Group entities publish their gender equality index. Actions are taken each year to improve these indexes. Some of these ongoing actions are included in the equality programs or agreements, particularly in France.

- **Short-term and long-term incentives**

Recognizing both individual and the collective performance of the teams is an essential part of our total remuneration policy.

Short-term incentives exist in two forms:

- monthly or quarterly incentives for the sales force, based on both financial and non-financial criteria, helping to drive profitable growth in all areas of the world with a motivated sales team;
- an annual short-term incentive plan for all non-sales, management level (cadre) team members across the world. Payout is based on collective financial criteria and individual performance objectives, designed to drive the realization of the *Horizon* strategy. The financial objectives defined at Group level, and cascaded into the regions, are identical to those used to calculate the annual short-term incentive of the Chief Executive Officer, and the Executive Committee.

The long-term incentive plans to which all senior managers are eligible are designed with a 3-year vesting period and ambitious objectives, driving the long-term success of the Company by focusing on Free Cash Flow, Innovation and Sustainability.

Recognizing the contribution of all team members to the success of our *Horizon* transformation journey, the Board of Directors, based on the recommendation of the Management Team, granted in October 2021 five free shares to over

11,000 team members worldwide, giving them the opportunity to share in the value that will be created by the future success of the Company (Plan Sharing *Horizon*).

The free shares will be delivered in October 2023, at the end of the two-year vesting period decided at the time of grant.

- **Benefits**

- *Health care and life insurance*

At BIC, health care and the protection that we provide our team members and their families is a priority. For this reason, in 2022 a worldwide audit of existing plans and coverage was undertaken. The audit allowed the identification of areas of improvement on these topics, and in 2023 the action plans will be quantified for implementation over the period 2023-2025.

- *Wellbeing in the workplace*

The Company seeks to provide a collaborative workspace for its team members, turned towards performance yet contributing to the overall well-being of our team members in the workplace.

This orientation has led, in certain countries, to the signing of agreements with the employee representatives, covering topics such as work-life balance, remote working and other related topics.

Around the world, the Company actively engages in preventive action plans around health and safety and



well-being, including workshops on the prevention of work-related illness, managing stress and ensures that any government campaigns are actively relayed to our team members. In France, for example, Pink October saw team members being offered a month of webinars on the prevention of breast cancer, alongside on-line yoga classes and other on-site sporting activities. World Health Day, celebrated on October 10, saw local initiatives in several sites around the world. In Romania, awareness workshops were held, Australia and New Zealand continued their 2 year partnership with Smiling Mile and invited team member to take some time out to imagine and be creative with our BIC Intensity products. Our Kenyan team distributed a goodies box with anti-stress products to team members.

These initiatives and more will be relayed at a global level in 2023, with the intention of creating a regular calendar and enhanced visibility around well-being for all our team members.

3.3.1.6 Promoting diversity, equity, and inclusion

BIC is a truly global business, with a workforce reflecting the diverse backgrounds and experiences of the communities where its products are available worldwide.

As stated in the BIC Code of Conduct, the Group values diversity, equity and inclusion (DE&I) and does not tolerate discrimination and harassment based on grounds such as:

- age;
- race;
- religion;
- color;
- ethnicity;
- national origin;
- disability;
- sexual orientation;
- gender;
- gender identity;
- gender expression;
- marital status;

and any other characteristics of which legal protection is afforded by local law.

The Group wants to create an environment in which employees, suppliers, business partners and its communities feel valued and respected. As an organization, BIC looks to be a positive change

agent throughout the many communities it operates in across the globe.

At BIC, cultural and individual diversity is considered an essential part of team culture, which is why the Group strives to foster an inclusive environment for all. In its continued commitment to diversity, equity and inclusion, BIC seeks to:

- take action to ensure that BIC teams reflect as closely as possible the diversity of the Group's customers and consumers around the world;
- welcome our team members, giving them a sense of responsibility through a culture of inclusion founded on practices of responsible leadership and management;
- encourage the diversity and dynamism of its teams as drivers for innovation and a key factor for its success.

The Diversity, Equity & Inclusion Credo, which was signed by the CEO and the CHRO in May 2019, reinforces BIC's commitment to Diversity, Equity, and Inclusion by appreciating that the blending of different backgrounds, experiences and perspectives in a collaborative environment which values open perspectives, will make the organization stronger and better prepared for the challenges ahead. It is shared by all the Group's entities worldwide and has been translated into the main languages used in the Group.

As part of its Diversity, Equity & Inclusion strategy, BIC has made a number of declarations, including:

- signing the UN Standards of Conduct for Business "Tackling Discrimination against Lesbian, Gay, Bi, Trans, & Intersex People (1);
- social media posts from the CEO and CHRO to recognize Global Pride Month 2022 and International Women's Day;
- in January 2021, Gonzalve Bich, BIC's CEO, joined the "CEO Action for Diversity and Inclusion™" (2), the largest CEO-driven business commitment of its kind. By taking this pledge, Gonzalve Bich is committing to take action to ensure the Company's culture celebrates and welcomes diverse perspectives and experiences and encourages open conversations about DE&I.

The global DE&I strategy has set a series of strategic objectives and KPIs to measure progress in the areas of belonging, attraction, promotion and influence:

Belong: create a culture where all team members feel comfortable that they can bring their full selves to work. Notable achievements in 2022 include:

- launch of full engagement survey measuring engagement, inclusion, trust, and manager effectiveness. All business units have developed action plans to address key areas and improve participants' sense of belonging, engagement, etc.;



(1) <https://www.unfe.org/wp-content/uploads/2017/09/UN-Standards-of-Conduct-Summary.pdf>

(2) <https://www.ceoaction.com/pledge/ceo-pledge/>



- launched and promoted a new Employee Resource Group toolkit to encourage the formation of networks of team members that share common characteristics and backgrounds. These groups advocate for themselves, and in addition to fostering their own professional development, are a valuable resource to BIC, providing information about their

identities, undertaking community outreach, opening new networks for recruiting, and serving as a visible sign of BIC's commitment to a diverse, equitable and inclusive workplace. As a result 5 new employee-led resource groups (ERGs) have been formed to promote local DEI initiatives in North America:

Black Leaders Influencing Sustainable Success (BLISS)	Women Empowerment at BIC (WEB)	Asian and Pacific Islander Alliance (APIA)	Hispanic/Latino Organization for Leadership and Advancement at BIC (HOLA BIC)	Supporting Wellness and Improving Mental Health (SWIM)
---	--------------------------------	--	---	--

- 150 plus team members from the Allyship Program/ERGs participated in the deployment of the Group's DE&I strategy, by organizing local events to celebrate several diversity days such as Black History Month, International Women's Day, Pride Month, Veterans Day and many others. Team members across the globe had the opportunity to participate in local and global events, such as speakers series, panels, training, etc.;
- conclusion of the three-part Inclusive Leadership Series for all level 4 and above team members that launched in 2021. In the first workshop, "Conscious Inclusion", the participants built a shared understanding of inclusive leadership, explored ways to lead teams toward conscious inclusion and to develop a greater sense of belonging and trust at BIC. The second workshop explored the role leaders play to effectively influence and establish an inclusive culture at BIC. The third and final workshop, focused on further building resilience as leaders, boosting optimism in teams and encouraging activism at BIC and beyond.

Attract: increase representation of women and other underrepresented minorities (as defined by country leadership teams) beginning at entry level through external recruitment and internal promotions. Notable achievements in 2022 include:

- design and launch the new employment brand that highlights key attributes that will attract and retain female talent;
- to mitigate bias when searching LinkedIn for recruitment sourcing initiatives, the Group has chosen to hide the names and pictures of potential candidates when sourcing the site;
- talent acquisition team members participated in an Unconscious Bias/Stereotype training to reinforce key learnings from 2021 trainings on eliminating bias from hiring processes.

Promote: increase diversity in Director and above roles to better represent the workforce focusing on female representation in level 4 and above positions to 40% in 2027. Notable achievements in 2022 include:

- launch of Human Capital Management System – SuccessFactors – to improve its talent identification and management process and the data to support these processes;
- 57% of all hires in 2022 were female;
- delivered gender balanced slate of candidates in level four and above positions;
- reached 32% female representation in level 4 and above leadership roles by continuing to attract and retain female talent.

Influence: improve visibility, demonstration and celebration of BIC's commitment DE&I externally. Notable achievements in 2022 include:

- continued participation in the "Break the Ceiling Touch the Sky Summit" in New York (U.S.), India and Dubai which offered companies an opportunity to learn DE&I best practices and connect with women leaders from around the world;
- our Human Resources Director for India, our Senior Manager of Marketing for West Africa & Nigeria, and our Human Resources Director for MEA were recognized by the House of Rose Professional as the "Most Inspirational Women in Leadership" across Asia, Africa and the Middle East;
- additionally, our General Manager for Cello, General Manager for the Middle East and our Group Commercial Officer were each featured on the House of Rose Professional's "Break the Ceiling Touch the Sky" 2022 list of Male Champions for Gender Equality;
- senior leader involvement and speaking engagements in Network of Executive Women, Break the Ceiling Touch the Sky and Enactus.



PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY LEVEL - BIC

	2020	2021	2022
Board of Directors	45%	50%	50%
Level 4 and above (Executives, including Executive Committee)	26%	29%	32%
Level 3 (Senior Managers)	39%	40%	40%
Level 1 and 2 (Managers & Professionals)	39%	40%	41%
Non-managers	49%	46%	44%

PERCENTAGE OF WOMEN IN THE PERMANENT WORKFORCE BY REGION - BIC

	2020	2021	2022
Europe	38%	38%	39%
North America	44%	47%	46%
Latin America	49%	51%	51%
Middle East and Africa	38%	37%	37%
India	56%	48%	42%
Asia-Pacific	47%	43%	44%

3

3.3.1.7 Other work-related rights

Social dialogue

BIC strives to use all the means available to engage in dialogue with its team members. In this spirit, it sets up the initiatives on listening to team members as mentioned in Section 3.3.1.6. To maintain its team members' engagement and remain attentive to their expectations, the Group strives to cultivate a high-quality social dialogue, either directly with the management or with the team members themselves, their representatives, or labor union representatives at unionized sites.

In every country where the Group has operations, it complies with all applicable collective agreements. In addition, each subsidiary strives, insofar as its resources allow, to improve working conditions by:

- offering wages above the legal minimums;
- through superior team member benefits;
- through investments to improve the working environment.

The topics discussed in the negotiations are related either to local obligations or to the previously mentioned management points. For example, many mechanisms to promote safety and health in the workplace and new working conditions like remote work have been initiated through social dialogue.

The following table gives a few examples of such agreements.

Perimeter	Topics
Europe - France	In the spirit of continuous improvement, BIC has continued the social dialogue in all French facilities. Throughout 2022, constant lines of communication, exchange of ideas and constructive discussions occurred regarding current events and challenges (political instability, inflation, social movements) to create a solid foundation for 2023 negotiation efforts.
Africa	In 2022, BIC East Africa implemented a collective bargaining agreement which allows it to put in place a culture based on open communication and collaboration. BIC South Africa entered the second year of a guaranteed three-year wage agreement with the Metal Industries Bargaining Council (MIBFA). In 2022, this facility carried out three focus sessions on topics including; Employee Engagement, Communication and Leadership. Alongside these focus sessions, the facility established an engagement team to maintain an open and constructive dialogue between team members on-site. BIC Nigeria maintains a safe, and healthy work environment and ensures it remains in compliance with all regulatory and statutory obligations by the Federal Government of Nigeria as are outlined in the Labor Laws of Nigeria.
Mexico	Through open lines of communication and the maintenance of a positive relationship, the Union in Mexico successfully negotiated a salary review to ensure alignment with local and global practices. This social dialogue will continue through 2023 to continuously improve upon employee experience at BIC.



3.3.2 WORKERS IN THE VALUE CHAIN [NFPS]

Upholding and promoting Human Rights and preventing violations constitute an important aspect of corporate social responsibility. Respect for basic Human Rights is a key concern for BIC, as it is for all corporations and their entire value chain, from the parent Company to subsidiaries and subcontractors. Beyond the moral necessity of creating value in an acceptable, sustainable way, it is a matter of protecting the Group's reputation, legal certainty and operational efficiency, as well as the cohesion of its employees.

3.3.2.1 Risks and opportunities [NFPS]

[NFPS risk 5] BIC has identified risks related to the non-respect of Human Rights (child labor, international conventions, ILO) among its main CSR risks. Non-compliance with fundamental Human Rights such as child labor, discrimination or forced labor may result in legal action against BIC and major consequences in terms of reputation.

Controlling its value chain is also a source of opportunities for BIC. These include:

- promoting a culture of quality control, cost and production management put in place by BIC since its origins. 92% of the Group's products are manufactured in its own factories;
- strengthening relations with strategic suppliers.

3.3.2.2 Policies, action taken, results and outlook [NFPS]

The challenges faced by BIC include maintaining control over its entire value chain, recognizing the importance of its suppliers and subcontractors' involvement in meeting its corporate responsibility to uphold ethics and Human Rights in the workplace and to combat corruption. To meet these challenges, the Group's operations and subcontracting activities are governed by its:

- updated Code of Conduct;
- Code of Ethics;
- Anti-Corruption Policy; and
- Supplier Code of Conduct.

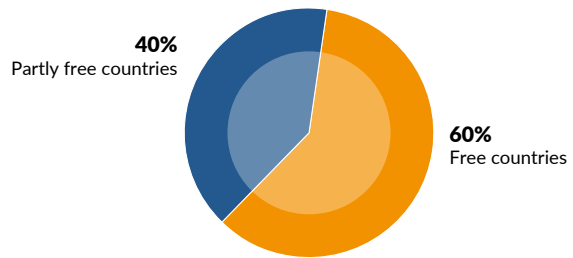
3.3.2.2.1 BIC's human rights in the workplace policy [NFPS]

Limiting contract manufacturing

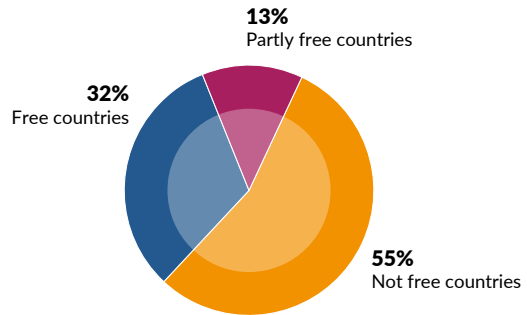
BIC's uses little contract manufacturing. Overall, 92% of the Group's net sales are generated by products made in its own factories. 60%⁽¹⁾ of these factories are located in countries with no Human Rights risk according to Freedom House.

BIC works with subcontractors primarily for Stationery products in the Consumer business and for Advertising and Promotional Products. Subcontracting gives the Group greater flexibility.

BIC FACTORIES BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK⁽²⁾ IN 2022 - BIC



CONTRACT MANUFACTURERS BY CATEGORY OF COUNTRY IN RELATION TO HUMAN RIGHTS RISK⁽⁴⁾ IN 2022 - BIC



3.3.2.2.2 A responsible purchasing approach

In the course of its operations, BIC works with over 15,000 suppliers and subcontractors. For the Group, being a responsible Company means maintaining control over the entire value chain. The Purchasing Department analyzes all risks related to the sourcing of products and services:

- inventory levels;
- sourcing zones;
- single sourcing, etc.

(1) Including BIC Nigeria. Partly free country in 2021 Freedom house ranking.

(2) Source: Freedom House. Change in Freedom House score for India. This country was scored free in 2020.



The Supplier Code of Conduct

BIC's Supplier Code of Conduct explains the Group's responsible purchasing approach, its commitments to its suppliers and the commitments that it requires from them. The latter encompass all aspects of sustainable development:

- integrity in business conduct;
- human rights and labor laws;
- health and safety;
- environmental impact; and
- the development of a sustainable supply chain.

The Supplier Code of Conduct also incorporates the former Responsible Purchasing Charter, which codifies the Group's six basic Values:

Ethics, Responsibility, Teamwork, Simplicity, and Sustainable Development.

All suppliers and subcontractors, as well as their suppliers and subcontractors, must comply with the Supplier Code of Conduct. All suppliers must also comply with all national and local provisions, laws and regulations in force on their respective markets. When local laws or standards differ from the current Supplier Code of Conduct, BIC requires that its suppliers comply with the stricter standards and principles.

In a spirit of ongoing improvement, BIC is committed to working with its suppliers and supporting them in their efforts to meet and exceed the standards of the Supplier Code of Conduct. This Code is one component of the overall BIC Code of Conduct, which also emphasizes the importance of the Group's responsible purchasing approach.

The Supplier Code of Conduct is included with the calls for tenders issued by BIC and is appended to its contracts.

Writing the Future, Together – #4 Proactively involving suppliers ^[NFPS]

BIC has set the goal of making its responsible purchasing approach a central element of its Purchasing function. This ambition is codified in the following commitment: by 2025, BIC will work responsibly with its strategic suppliers to ensure the most secure, innovative and efficient sourcing.

The ambition of the purchasing strategy is to maximize its contribution to the creation of value for BIC, its suppliers and subcontractors by:

- **securing the created value:** ensuring continuous supply and consistent quality, consumer safety, regulatory compliance, brand protection;
- **increasing the created value:** performance and costs, manufacturing processes, the development of new customer benefits with no technological or material disruption;
- **creating additional value:** innovation that benefits consumers, overhaul of the processes.

A complete review of the supplier database was carried out in 2019 in order to identify suppliers that are considered strategic for BIC based on four criteria:

- representing high volumes of purchases for BIC;
- continuity of operations if the supplier ceases to operate;
- single-source supply;
- a significant impact on BIC's growth.

In 2022, BIC identified 330 strategic suppliers from among the constantly evolving roster of 15,000 suppliers in its database. The strategic supplier list is updated every year.

In 2020, the Purchasing Department hit a milestone in its pursuit of goal #4 of the "Writing the Future, Together" program by launching a pilot campaign to evaluate the sourcing of the strategic materials needed for the production of lighters. The suppliers were included in this in-depth evaluation, which examines national risks and supply chain risks all the way back to the original extraction sites. In 2021, the pilot campaign's phase two was launched with the implementation of transparency and risk assessments, policies and action plans to continue the evaluation and improvement of the Flame for Life division production value chain. Following the strategic resilience study assessment, the purchasing teams established a roadmap to establish responsible sourcing for each strategic material. They identified solutions and alternatives as well as conducted risk assessments, due diligence and mapped the value chain for each material. This pilot campaign concluded in 2022 with the procurement teams acknowledging the recommendations from this study.

In 2022, BIC continued the incorporation of existing tools into its responsible purchasing approach, and it continues incorporating a number of new tools such as:

- the Buy4BIC global procurement platform (currently deployed in EU) which will become the main communication procurement tool;
- PowerBI for sustainable procurement activities and actions reporting; and
- the design of a procurement digital ecosystem integrating sustainable procurement tools (ex. Ecovadis, CO₂ measuring tools) with Buy4BIC modules;
- a guide for assessing and selecting suppliers based on CSR performance. Each purchasing family has its own guide;
- compliance with the Supplier Code of Conduct created in 2020 which is shared with suppliers in the call to tenders;
- audit programs (see Section 3.3.2.2.2);
- a mandatory responsible purchasing training program for buyers through a new training platform which will offer in 2023 a new training module on sustainable procurement for the procurement community;
- EcoVadis campaigns which continued in 2022 covering about 77 strategic suppliers evaluated according to specific CSR criteria;
- a supplier diversity program in development and to be fully established in 2023;
- the purchasing teams constant participation in the working group responsible for the CO₂ emissions reduction plan has led to a CO₂ tracking tool selection in 2022 and implementation in 2023; and
- a responsible sourcing policy draft in 2022 with a validation and application in 2023.



In order to monitor progress toward goal #4 Proactively Involving Suppliers, a new indicator was implemented in the Purchasing information system: percentage of strategic suppliers involved in at least one responsible purchasing action. To that end, the Purchasing Department keeps a recurrent list of “responsible purchasing actions” for each purchasing family in relation to the goal of “ensuring the most secure, innovative and efficient sourcing.” These actions include:

- conducting a strategic resilience study;
- the EcoVadis campaign;
- working with suppliers to identify solutions so as to meet BIC’s commitments concerning its products (recycled or alternative plastics);
- reducing the use of materials, etc.

All these actions help BIC make progress toward its goals regarding products and energy (see Section 3.2.1). This indicator reflects the Purchasing function’s commitment to developing long-term relations with its suppliers, keeping them informed of the Group’s sustainable development challenges and helping them adopt more responsible practices.

In 2022, 65.5%⁽¹⁾ of strategic suppliers were involved in at least one responsible purchasing action⁽²⁾. BIC is aiming for 100% by 2025.

The social audit program ^[NFPS]

Compliance with the Supplier Code of Conduct is verified by an audit program covering factories where BIC® products are manufactured. BIC has had a specific audit program to ensure Supplier Code of Conduct compliance of global manufacturers. It also applies to local contract manufacturers producing BIC® products for local markets for BIC Consumer Products and BIC Graphic (Advertising and Promotional Products). Regular audits are conducted to verify that standards are kept at a satisfactory level.

Audits are carried out by third party Auditors *via* the Workplace Condition Assessment (WCA) platform. This assessment tool is based on international Human Rights principles and national laws, incorporating International Labor Organizations (ILO) standards and existing best practice. It is consistent with the Supplier Code of Conduct. The WCA comprises over 180 evaluation criteria covering a range of topics:

- child labor;
- forced labor;
- discrimination;
- harassment;
- freedom of association;
- working hours;
- salaries;
- employment contracts;
- health and safety;
- environmental responsibility.

Contract manufacturers are audited and rated on each criterion and then given an overall score. This platform allows the Group to closely monitor a contract manufacturer’s performance for each indicator. Deficiencies in each evaluation criterion are rated as major, moderate or minor, thereby allowing the implementation of targeted corrective action plans. It also includes global benchmarks for each country and each Group business sector.

All contract manufacturers producing BIC® products are audited over a two-year cycle, during which improvement programs will be implemented based on deficiencies identified during the assessment. BIC sees social responsibility as a partnership that requires shared values. In this spirit, BIC favors a common commitment to improvement rather than breaking off relations with a partner. BIC accepts an 85% minimum performance rating, with no major or moderate deficiencies of the audited manufacturers. The Group works alongside the manufacturer to improve their score through the development of working conditions. The box below explains the main steps in the evaluation of contract manufacturers.



THE SIX STEPS FOR EVALUATING CONTRACT MANUFACTURERS

1. The BIC contract manufacturer signs the BIC Supplier Code of Conduct.
2. An independent external monitoring agency conducts an initial assessment of the contract manufacturer.
3. BIC presents a corrective action plan (CAP) to the contract manufacturer.
4. The contract manufacturer implements the CAP within an agreed upon, reasonable period.
5. The Auditor conducts follow-up assessment(s) to confirm implementation of the CAP if necessary.
6. The monitoring is completed once WCA is approved by the OEM Compliance team and ongoing assessments are conducted every two years.

In 2022, the two-year cycle audits were scheduled or completed for all contract manufacturers (Consumer Products or BIC Graphic) with an overall average performance rating of 85%. BIC

held follow up audits to monitor contract manufactures with a lower performance rate and ensure compliance with local regulations and processes.

(1) Excluding, BIC Graphic, new acquisition and certain OEMs.

(2) These actions included conducting a strategic resilience study and the EcoVadis campaign.

3.3.3 COMMUNITIES

3.3.3.1 Global challenges

In September 2015, the UN adopted a new Sustainable Development Program comprising 17 worldwide goals for combating poverty, inequality and injustice. These goals emphasize the crucial role of universal access to education and hygiene. The Group strives to meet these challenges through:

- its local economic presence, with about four million points of sale offering BIC® products worldwide; and
- its global presence: BIC manufactures and distributes its products in 160 countries, supplying the most developed marketplaces as well as some of the most impoverished.

Lastly, BIC seeks to support local communities through the development of philanthropic policies that favor involvement at both Group and individual levels.

3.3.3.2 Policies, action taken, results and outlook

Writing the Future, Together – #5 Improving lives through education

The UN Sustainable Development Goal No.4 is to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” It underlines the two key challenges for education:

- access to education; and
- equity in learning.

At BIC advocating for a quality education and inspiring a love for learning in students is very important. Through the design, manufacturing and distribution of writing instruments, BIC has played an integral part in the promotion of education. The Group is a firm believer that education is crucial for the development of free will, independence and for combating poverty. The Group continues to be an active handwriting advocate, even before its importance in structuring children’s thought processes was proven. BIC has set the goal of improving lives through education and has translated this ambition in the following commitment: by 2025, BIC will improve learning conditions for 250 million children globally.

The Group has a three-pronged approach:

- actions undertaken by the BIC Corporate Foundation;
- actions to help improve learning conditions, including awareness of handwriting benefits in learning and memorization processes (discussed in Section Awareness and coaching actions).
- philanthropic actions (donations of products, funding and skills) undertaken by local entities for the benefit of their communities (discussed in Section Philanthropic actions by BIC and its subsidiaries);

At end-2022, BIC estimated that 187 million children have seen their learning conditions improved through direct initiatives either involving children, teachers or parents since 2018.



187 million children saw their learning conditions improve between 2018 and 2022.



Awareness and coaching actions

Handwriting is a basic skill that helps structure the thought process. For this reason, writing instruments are indispensable tools for advancing learning conditions. In recent years, BIC teams have supported and facilitated handwriting and promoted its importance in children’s development, especially through:

- development of activity sheets and workshops for teachers such as motor development, coding, sustainable development and writing exercises;
- promoting education among the communities in need by providing writing instruments for the classrooms (stationery, learning supports, etc.) and support schools refurbishment;
- activities and workshops in schools such as awareness raising on the importance of education and writing, creativity, production of texts or thematic coloring contests for younger children.

In North America on November 1, 2021, BIC announced the launch of the “BIC-CAUSE WE CARE” online community: a virtual gathering place for anyone who has a passion for improving the learning conditions for students worldwide. The “BIC-CAUSE WE CARE” community will support a multitude of efforts such as:

- monetary donations to educational causes and schools;
- information about local causes and events;
- facilitate discussions about education, and;
- sharing of tools and resources among teachers, parents, caregivers and students.

After about a year with the BIC-Cause We Care Community live, BIC has made a positive impact for the 7,000 members by providing resources, celebrating educators, facilitating discussions in education, and by supporting a wide range of educational needs. Notable achievements in 2022 include:

- monetary and product donations to educational causes and schools:
 - 14 Educators received funds for their classroom:
 - 8 “Education Heroes”, nominated by members of the community, won 1,000 U.S. dollars and BIC product for their classroom,
 - 6 Educators received funds for their classroom and products in celebration of World Teachers Day;
 - 5,000 U.S. dollars was gifted to Children International for Seasons of Giving 2021 and 1,000 U.S. dollars was gifted to Kids in Need Foundation in 2022. Both non-profits were chosen by the community via polls,
- members received BIC® products to improve their learning conditions at home or in their classroom;



- information about local events: the BIC-CAUSE WE CARE community connected members to nationwide events for career growth and self-care to prevent burnout;
- facilitate discussions about education: 88 discussions on educational topics were held in 2022 garnering about 5,000 comments and conversations;
- encourage tool sharing and resources among teachers, parents, caregivers and students: over 30 resources were shared this year to help parents infuse education at home, weave creativity into learning, aid teachers in career growth, and much more.
- a partnership with an educational arts organization in Brazil, to teach students about environmental protection;
- a family festival sponsorship in Greece that promoted the importance of creative play in children;
- a Fall Collaboration Summit for Enactus, a nonprofit that inspires students to solve the world's biggest problems through entrepreneurship;
- surprising French students with a big yellow BIC school bus filled with products; and
- renowned Australian illustrator Marc McBride taught students techniques to enhance their drawing skills.

Philanthropic actions by BIC and its subsidiaries

The philanthropic actions of BIC and its subsidiaries take three forms:

- donation of products;
- monetary gifts; and/or
- volunteer work/skills sponsorship.

BIC and its subsidiaries favor projects that benefit local populations around its facilities.

Each year, BIC develops and markets charity-linked products, some of which are useful in education. For the consumer, these products offer the possibility of spending the same amount of money while making a charitable donation, because part of the purchase price is given to a charity. The organization in turn can diversify its funding sources and benefit from additional publicity. And for BIC, it is an opportunity to underline the Group's civic commitment and boost sales.

2022 marked the return of the Global Education Week. This event has grown into one of the Group's largest corporate giving initiatives, contributing to the Company's legacy of giving and bringing warmth and appreciation to the hearts of all those who participate. As well as uniting team members under a common cause to bring children moments of creativity, simplicity and joy. During this event, BIC donated 3 million writing instruments to classrooms around the world.

Team members volunteered hours organizing fun and creative experiences for students such as:

An innovative aspect in this year's Global Education Week was to give loyal customers, and BIC® brand fans an easy way to participate. For every "like" in the event's social media posts, BIC donated 100 more products to schools in need, up to 500,000.

Likewise, throughout the year, BIC continued its philanthropic activities. In 2022, noteworthy activities included:

- **BIC Romania** donated over 7,859 BIC® product units to the "Library for all" project, which aims to collect educational materials and supplies necessary for the beginning of the school year for children in low-income communities.
- **BIC Canada** partnered with the Insight Heart Foundation. This Canadian charitable organization seeks to help vulnerable adults and children within low-income communities by providing them with essential items and resources. BIC Canada donated over 500 BIC products for their Backpacks 4 Smiles program.
- Each year, Enactus UK student teams can enter **BIC UK's** Individual Topic Competition in an aim to receive funding for their non-for-profit socio-economic projects and mentorship from BIC employees. In 2022, BIC UK selected 3 teams which received funding and mentorship throughout the year.
- **BIC Poland** created the teacher ambassador program "Let's Paint The Future Together". The objective of this educational program is to build positive and lasting relations with teachers through brand awareness and sponsorships.
- In 2022, **BIC Morocco** donated over 600,000 BIC product units to various NGOs, including the Association enfants du desert and SOS villages kids.

In 2022, product donations and financial aid worldwide represented 900,000 euros (internal valuation), primarily in education⁽¹⁾, environment and health.



900,000 euros in donations and financial aid worldwide in 2022.



90 philanthropic projects involving volunteer work, product donations and financial aid carried out worldwide in 2022 (all fields combined).

The BIC Corporate Foundation

The BIC Corporate Foundation was born out of the Group's desire to go one step further in the support of education while bolstering the sense of pride and belonging of BIC team members. The Foundation's mission is: "We drive access to high quality education programs for all. With a focus on building creative skills, our programs directly enable and empower our participants to build stronger, more inclusive, more creative communities, while inspiring and equipping our children and young adults to make their mark on our world". The Foundation's actions target children and youth from underserved communities.



In a context of rapid transformation of society, economies and workforces, creativity is one of the key skills to cultivate the spirit of lifelong learning both in kids and during our adult life. Educational systems globally lack initiatives that foster creativity. They often don't encourage kids and adults to take risks, to believe in their capacity to change paradigms, and to do their part and take responsibility for building a better, more sustainable world.



This is why the BIC Corporate Foundation decided to focus on creative skills, as it believes in the power of creativity as the driver of change. The Foundation has prioritized six areas of focus that it considers essential for the development of creative skills among children and youth: art, music, body expression, entrepreneurship, creative writing and the spoken word.

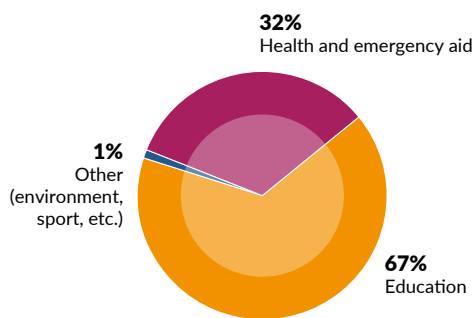
The Foundation is governed by a Board of Directors comprised of nine members – six internal to BIC and three outside experts. The Board meets formally three times per year and votes to approve the application of the funds of the Foundation. The support and insight of its Board members is key in widening the reach of the Foundation and identifying life-changing and impactful organizations.

Through a comprehensive grant process, the Foundation identifies partners, in alignment with its mission, and delivers funding to support the delivery of programs across the world. Each not-for-profit partner is carefully selected and funded following a detailed review process. In 2022, the Foundation signed 5 new partnerships with NGOs focusing on the development of creativity in children and youth. Since its creation, the Foundation has supported 47 projects in 20 countries and impacted on more than 155,000 lives.

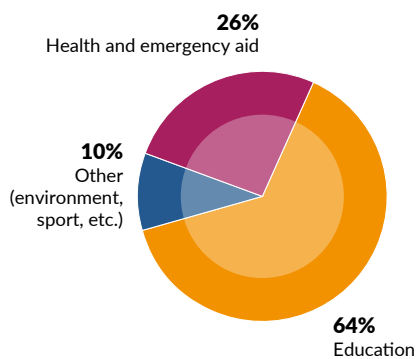
In order to build long-lasting and holistic partnerships, the Foundation is convinced that it's key to involve BIC team members with its partner NGOs. In 2022 the Foundation offered volunteering opportunities and organized events to allow BIC team members to give back and get to know better the partner NGOs and their actions. Through activities such as CV and interview counseling sessions, mentoring, art therapy sessions and virtual visits, the Foundation engaged more than 1,000 team members with 15 of its NGO partners.



FINANCIAL BREAKDOWN OF ACTIONS – BIC -2022



BREAKDOWN OF ACTIONS BY NUMBER – BIC -2022



(1) For this indicator, all philanthropic actions promoting education are factored in, including those carried out under commitment # 5.



The Foundation also seeks to be the bridge between the BIC Group and the not-for-profit sector, contributing to the creation of purposeful collaborations with BIC® products, coordination of product donations and more.

In 2022, the Foundation officially launched the **Creativity Community of Practice**, a multidisciplinary and collaborative network of people working in the space of creativity and education. The objective of this network is to advance and amplify the development of creative skills in education systems, through advocacy, upskilling, driving research and accessibility, and collaborations.

In 2022, the BIC Corporate Foundation sponsored **Ideas World Cup**, the largest brainstorming event in the world where individuals and teams from cities around the globe compete to solve a social issue using the power of creative thinking. This year, the theme was "How can we inspire creativity in education?". More than 3,800 people from all around the world participated and proposed 520 solutions. The winner of the competition was **Israel Sornoza**, from Ecuador, who presented his venture, Learn to Rap, as a way to empower youth to express themselves through the power of rap and Creative Expression. As the global winner of the competition Israel received 6 weeks of creativity and innovation training from *Actitud Creativa*, the organization that created Ideas World Cup. In addition Israel received the Jane Strode Miller Fellowship. This is a full-ride scholarship to the venture and innovation accelerator program of the Watson Institute. This prestigious fellowship provided Israel with entrepreneurship training and networking opportunities to advance his venture and amplify its impact.

Some additional examples of the organizations and projects backed by the BIC Corporate Foundation in 2022 are:

Play Africa

In South Africa and Sub-Saharan Africa, the Play Africa NGO offers design thinking workshops for children 7 to 12 years old from underserved backgrounds. These workshops allow the development of measurable creative skills in children by teaching them to understand social challenges and how to generate, prototype and test possible scalable solutions. The NGO works together with schools, municipalities and community-based organizations. Play Africa will train 120 facilitators throughout its collaboration with the BIC Corporate Foundation, empowering them to lead participative design thinking workshops. Every year, one solution created in the workshops will be chosen to be funded and built in the children's school or community.

Girls Write Now

In the United States, the Girls Write Now program matches underserved high school girls and gender expansive youth with women professional writers for a year-long one-to-one mentorship. Mentees create at the intersection of language, technology, and art, exploring sub-genres within poetry, fiction, memoir, journalism and screen/playwriting, and

learn digital skills such as audio and video editing, coding and design. Mentees also participate in Girls Write Now's Writing Works programming, where they receive unique and personalized professional development, strengthening their writing and communication skills, and opening doors, on the pathway to college and career.

Culturespaces Foundation

In France, Culturespaces Foundation implements educational programs that enable access to arts and cultural education for the most disadvantaged children in order to unlock their creative potential. Its flagship program "Art en Immersion", reaches 7,000 children every year, and it is designed alongside the annual art exhibitions showcased in Culturespaces digital art centers. It enables children to explore the world of an artist in a fun, creative and didactic way. The program is structured in several stages; beginning with educational workshops to discover the artist, the technique, colors, then going to the immersive art exhibition themselves and finally participating in creative workshops where they create their own art and then get to share it with other teachers and parents in a showcase event.

Creativity Pioneers Fund

The BIC Corporate Foundation partnered with the Moleskine Foundation to support organizations worldwide in the creative space through the second iteration of The Creativity Pioneers Fund. The initiative is a global funding opportunity where grassroots NGOs can apply to receive financial support in sustaining and expanding innovative projects around creativity that catalyze social change. The Fund awarded 27 organizations from 18 different countries with 5,000-euro, unrestricted microgrants. In addition to this, the fund recipients are also allowed ample opportunities for networking, capacity building and organizational visibility. With funding just being the start of the partnership, The Creativity Pioneers Fund aims to build longstanding relationships with its partners while establishing a global ecosystem of creative pioneers, changemakers, thought leaders, and social impact professionals.

ESG Impact Share Buyback program

As part of its commitment to improving children's learning conditions globally, in late 2020, BIC launched an innovative 40 million euros ESG Impact Share Buyback program. Executed by Exane BNP Paribas and carried out during 2021, the outperformance over the program's execution is allocated in part to the BIC Corporate Foundation and in part to the Abdul Latif Jameel Poverty Action Lab's (J-PAL) tutoring and parental programs in Europe and the U.S. The funding support from BIC will help produce rigorous and scalable insights into effective education programming and policies to improve learning outcomes, particularly for students from disadvantaged backgrounds. In 2022, BIC completed its second ESG Impact Share Buyback Program for a total of 39.2 million euros.



Social inclusion: non-discrimination and access to products and services

BIC is guided by a vision: "To offer simple, inventive and reliable choices for everyone, everywhere, every time". For BIC, making products that everyone can afford means adapting them to markets in developing countries. The pens and shavers marketed by BIC in over 160 countries promote access to education and personal care. BIC is thus contributing to social progress around the world.

BIC's approach consists of adapting all possible parameters to make its products affordable:

- building close relations between its production units and their distribution markets;
- creating products for growth markets;
- adapting BIC® products to the buying power of emerging countries;
- completely rethinking the packaging, in order to market products in packs of only one or two items;
- offering the best functionality at the best price, setting an optimal fair price for BIC® products in collaboration with local retailers to reflect local consumption trends and selling price thresholds;
- developing innovative and appropriate distribution models, relying on local retailers such as individual kiosks, micro-shops or service outlets near schools.

3.3.4 CUSTOMERS AND CONSUMERS EXPECTATIONS AND PRODUCT SAFETY [NFPS]

BIC distinguishes between "customers" (i.e., companies, public authorities and office supply distributors plus major mass-market retailers) and "consumers" (the end users of its products). Customers and consumers are becoming increasingly demanding in terms of the environmental and social performance of products.

3.3.4.1 Products designed to meet and anticipate consumer expectations [NFPS]

BIC manufactures mass-market consumer goods. Since its founding, the Group has considered that its products should satisfy and anticipate the expectations of all consumers, in both developed and developing countries. Retailers and wholesalers want their partners to show how they are helping reduce the overall environmental and societal impact of their operations. They impose increasingly strict requirements in terms of the packaging of products they carry.

3.3.4.1.1 Risks and opportunities [NFPS]

[NFPS risk 8] BIC has identified reputational and brand risks among its main CSR risks. Against the background of increasing environmental awareness, the BIC brand could be associated with so-called disposable single-use products, leading to customer and consumer disaffection with BIC® products. BIC seeks to improve its communications, in particular on the environmental and social performance of its products, to ensure the Group can retain the confidence of stakeholders.

Meeting consumer expectations is also a source of opportunity for BIC. These include:

- positioning BIC as a responsible brand that delivers quality and safety through its long-term commitments and ambitious programs;
- launch BIC® products with social and environmental advantages.



OVERCOMING THE DISPOSABLE/SUSTAINABLE DUALITY

BIC® products are very often stigmatized as being "disposable". Although not all of them are refillable, neither are they single use. Most of them offer long-lasting performance: over two-km of writing for most ball pens; up to 3,000 flames produced by a lighter; and 17 shaves for a triple-blade shaver. In addition, most of them are designed with no superfluous parts or features using a minimum of raw materials. Each of BIC®'s various products, whether refillable or not, meets a specific consumer need.

3.3.4.1.2 Policies, actions taken, results and outlook [NFPS]

Since its founding, BIC has striven to develop and offer simple, affordable products that meet consumer expectations, particularly in terms of environmental and social performance. To that end, the Group has put in place a range of programs and policies:

- "Writing the Future, Together" #1 Fostering sustainable innovation in BIC® products (see Section 3.2.3.2.2);
- the "4 Rs" philosophy (see Section 3.2.3.2);
- communication regarding the environmental benefits of products to encourage more responsible consumption (see below);
- the Responsible Communication Charter, drawn up in 2013, formalizes BIC's inclusion of the Value of Responsibility in its

communication. This Charter expresses BIC's intention to share reliable information and release clear, accurate messages. This applies to all communication by the Group worldwide to any stakeholder;

- annual participation of BIC USA in Walmart's sustainability performance assessments, such as Project Gigaton, as well as specific reporting for the Supply Chain section in the CDP questionnaire;
- in addition to responding to specific customer questionnaires on its CSR approach, BIC discusses all relevant topics with them, including sustainable development issues, as part of its commercial relations. Some of these take the form of partnerships. All the professional functions involved (marketing, communication, sales) are equipped with the tools they need to explain BIC's Sustainable Development Program;
- BIC strives to make its products affordable for all.



Encouraging consumers to consume more responsibly

All the products that use recycled materials display the Moebius strip symbol as well as information to help consumers make their purchasing decisions. Some BIC® products are *NF Environnement* certified. Others supply information on their environmental and social qualities (eco-values) to help consumers choose products that match their expectations. The most appropriate approach is chosen for each continent or category. For example, communications in Europe emphasize the *NF Environnement* ecolabel certification of a given product, where it was manufactured, the amount of recycled materials used or its writing length. In the Flame for Life division, the packaging for the BIC® Maxi, the world's bestselling lighter, mentions the number of flames ("Up to 3,000 lights" or "Up to 2x more lights") and the website www.mybiclighter.com includes a section on performance.



Since 2019, BIC in North America is a member of How2Recycle, an organization that promotes the use of clear, concise and consistent recycling labels. A program to introduce "H2R" labels on BIC®'s product packaging for the North American market was launched in 2020.

Since 2015, in compliance with French law, BIC offered consumers recycling instructions for its packaging on the Group's Website. However, with the new Triman guidelines, starting in 2022, BIC will add the new consumer recycling instructions to all packaging sold in France.

BIC® WRITING PRODUCTS EARN THE *NF ENVIRONNEMENT* ECOLABEL

For equal performance in use, the *NF Environnement* ecolabel granted in France by AFNOR Certification certifies products that have a reduced environmental impact. To obtain this ecolabel, a product must comply with certain functional and environmental guidelines designed to reduce its environmental impact over its life cycle.

In the case of BIC® writing products, the main criteria for receiving the ecolabel are limited quantities of raw materials or the use of recycled materials, a long performance life and the strength of the pencil leads. BIC was the first manufacturer of writing instruments to earn *NF Environnement* certification. Now, a full range of 16 BIC® products has been granted this ecolabel, including long-standing products like the BIC® Cristal® and the BIC® 4-Color™ ballpoint pen, as well as the pens in the BIC® Ecolutions® line.

Results

All the environmental claims that appear on the packaging, in the catalogs and on the websites for BIC® products in Europe are approved by the Legal Department.

16 BIC® writing instruments received the French ecolabel *NF Environnement* (NF 400).

Outlook

Responsible products are a permanent and ever-growing feature of BIC's product range. In the coming years the Group will continue to incorporate these products into its corporate strategy, in particular through commitment #1 of "Writing the Future, Together": fostering sustainable innovation in BIC® products. It will in tandem give them greater visibility by pursuing efforts to improve the communication on its range of responsible products.

3.3.4.2 Product safety [NFPS]

BIC seeks to offer safe products that meet consumer expectations and comply with all relevant safety requirements and standards. This means incorporating consumer health and safety into the design and production of its products. Consumers want to be assured that the products they buy are free of certain substances and safe for them and the environment. The Group also strives to strictly comply with all regulations and the increasingly stringent, constantly evolving restrictions concerning product usage and chemical substances.

3.3.4.2.1 Risk and opportunities [NFPS]

[NFPS risk 3] Product safety and consumer health-safety risks are one of the major CSR risks identified by BIC, *i.e.*, the risk of placing non-compliant or unsafe products on the market.

The various actions taken to ensure product safety and the protection of consumer health and safety represent an opportunity for the Group, they include:

- establishing itself as a leader in terms of the quality and safety of its products, meeting or surpassing the regulatory requirements in each market;
- developing expertise in the evaluation of materials, especially for recycled and alternative materials.

3.3.4.2.2 Policies, actions taken, results and outlook [NFPS]

Product safety and the protection of consumer health are of strategic importance for the Group. BIC incorporates regulatory compliance and risk management concerning product safety into its strategy with the primary goal of offering products that comply with all relevant safety requirements and standards. This is achieved through:

- a body of documents defining its commitment; and
- strict processes designed to ensure that it only markets safe products compliant with safety requirements and standards.

As a result, BIC supplies millions of products every day while maintaining consistent quality, checked through a vast array of tests and in compliance with national and international safety requirements. As from its acquisition in 2020, DjEEP has been integrated into the Group's product safety culture and processes.

The **Product Safety Policy**, introduced in 2001, specifies the ten commitments adopted to ensure that the products developed and manufactured by BIC are safe for human health and the environment. They are as follows:

- a systematic program of pre-market product qualification testing;
- a global approach, resulting in products that often exceed the safety requirements of local markets;
- expecting BIC suppliers to comply with safety standards;
- incorporating safety considerations right from product design, including toxicological evaluations and tests to assess potential physical and chemical hazards;
- the anticipation of product safety requirements through active regulatory monitoring at national and international levels. This

is done in close cooperation with industry associations that share their members' expertise with the appropriate authorities;

- the incorporation of innovations into product safety processes;
- building awareness among all stakeholders about safety and the appropriate use of BIC® products;
- carefully reviewing all incidents involving the safety of BIC® products;
- appropriate measures for product recall or withdrawal in the case of an incident;
- the implementation of this Policy by a Product Safety Department.

[NFPS – the well-being of animals] In its position on animal testing, BIC specifies that it strives systematically not to resort to animal testing as a first solution. However, such tests can be necessary if:

- the alternatives do not provide sufficient guarantees that a new product is harmless for consumers;
- alternatives to animal testing are not recognized by regulation.



BIC'S SEVEN COMMITMENTS TO ENSURE THE QUALITY AND SAFETY OF ITS LIGHTERS

1. All BIC® lighter plants are ISO 9001 certified production plants. BIC® lighter products meet or exceed the ISO 9994 international safety standard requirements.
2. BIC is an active member of various organizations (such as the European Federation of Lighter Manufacturers, working groups and technical committees for ISO and CEN and numerous other national standardization bodies). This allows it to provide the latest and most reliable quality and safety information to its customers.
3. Each BIC® lighter undergoes over 50 separate automatic quality checks. Additionally, BIC conducts regular post-market product tests of its lighters.
4. BIC continuously develops and improves exclusive technology to ensure the quality and safety of all BIC® lighters, including factors like flame height and stability, extinction time, and a reservoir that can resist extreme drop tests and exposure to elevated temperatures.
5. BIC has an integrated production process. It designs and develops much of its own machinery and uses all the latest manufacturing technologies, from basic materials right down to the packaged lighter.
6. BIC employees are all guided by three principles: Method-Precision-Discipline. Each employee in the lighter plants spends close to 25% of his or her time checking product conformity and proper operation of the control equipment.
7. BIC has been committed to sustainable, long-term safety programs for over 30 years.

Regulatory monitoring and compliance

BIC has a comprehensive monitoring system based on formalized regulatory monitoring process. This comes on top of internal and external resources and in particular the Product Safety teams' specific knowledge of BIC® products, their components and the materials used. In 2018, a BIC Watch List was created to extend the Group's monitoring system to include unofficial lists used by NGOs, future regulations and controversial substances that are not yet banned.

The Group always strives to anticipate the substitution of regulated substances. This Watch list is by its very nature open-ended. Since 2019, the Watch List has been factored into product ratings in EMA. The Product Safety team works closely with the product design teams to stay abreast of changes to the list and ensure its incorporation into product improvement.



BIC, as a member of numerous industry bodies ⁽¹⁾, actively participates in regulatory monitoring. This is important to stay abreast and take into consideration new requirements.

In order to keep pace with future regulatory challenges, the Product Safety team takes part in numerous technical meetings as well as regulatory congresses in Europe and North America:

- technical committees of EWIMA and TIE in Europe;
- ACMI and WIMA technical committees in the USA;
- AFNOR Toy Standardization Commission;
- ASTM committee for the analysis of PFAs;
- FEBEA webinars;
- Biocides Congress in Lyon;
- Perfumes & Cosmetics Congress in Chartres;
- ACI's annual Legal, regulatory and compliance forum on cosmetics and Personal Care products in New York;
- Chemical Watch webinars (on PFAS and on upcoming European regulatory developments).



COMPLIANCE WITH THE REACH REGULATION

The European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation establishes the regulatory framework for chemical substances and places responsibility on manufacturers to demonstrate the safety of the chemicals they use.

In 2013 and 2018, in response to REACH, BIC has registered 8 substances for two of its legal entities. Following the 2018 deadline for products representing 1 to 100 tons per year, the authorities are now evaluating the compliance of the registrations received. BIC remains on the lookout for potential impact. Revision of the EU REACH regulation is underway in order to respond to the EU chemical strategy for sustainability. The product safety team is closely following this revision and its new requirements.

Many countries are adopting regulations similar to the EU REACH regulation. Since 2020, the Group is compliant to the regulations in the countries where it operates including: Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia and Turkey. Following Brexit, in 2021 BIC notified more than 100 substances in the UK. In 2023, the substance registration process will start in Turkey and the UK. The product safety team is preparing for these changes.

Marketing compliant products that are safe for human health and the environment

To ensure consumer safety, the Group Insights & Innovation Officer, the Group Supply Chain Officer and the Group Lighter General Manager are responsible for marketing safe products that comply with regulations. To this end, they rely on:

- BIC's commitment to ensure that its products comply with regulations and are safe for health and the environment (see above);
- monitoring by dedicated teams (see above);
- a product safety qualification process for all products before they are put on the market (see below).

This solid, long-standing organization is constantly adapting and expanding to reflect changing regulations. The Executive Committee and management teams are systematically kept abreast of new developments in product safety and regulations.

Systematic testing and evaluation programs

Before being released onto the market, all BIC[®] products, both new or modified, must undergo a comprehensive program of safety tests and qualification evaluations. These are designed to assess potential hazards, identify the chemical substances present, evaluate their risk level, verify their compliance with standards; and identify any adaptations to the formulas or substitutions that might be needed to reduce risks.

BIC faces competition from several low-cost lighters that too often do not comply with international safety standards. According to tests by independent accredited laboratories, over three quarters of the lighter models in the European market fail to meet standards. The Group has taken steps to raise awareness among the various parties involved.

The European Commission is in the process of revising its General Product Safety Directive. BIC based on its market knowledge and long experience of the system's shortcomings, in particular as a result of the infringement proceedings against the Netherlands put forward constructive proposals to fundamentally improve the European product safety oversight framework.

Training

The Product Safety team is committed to educating and updating key Group stakeholders on important product safety topics. In 2022, they held 15 training sessions to different Group departments such as the Group Insights & Innovation, Quality & HSE teams in manufacturing site and IT department. As part of safety teams members on boarding, all new members of the safety team receive training material on product safety.

(1) In particular, BIC is a member of: EWIMA (European Writing Instrument Manufacturers Association); WIMA (Writing Instrument Manufacturers Association); ACMI (Art & Creative Materials Institute); TIE (Toy Industries of Europe); EFLM (European Federation of Lighter Manufacturers); and Fédération des Entreprises de la Beauté in France.



Many regulatory changes are underway in Europe to support the EU Chemical Strategy for Sustainability. A team of forty key people who play an important role in supporting BIC's products have been trained on the potential impacts of the regulations currently being revised: REACH, CLP, Toys safety Directive, General Product safety Regulation, cosmetics regulation in order to be able to anticipate these changes.

In addition, since November 2021, the Product Safety Team has participated in numerous public consultations directly with the European Chemicals Agency (ECHA) or *via* TIE and EWIMA. More than thirty regulatory topics were addressed such as PFAs, EC Impact Assessment Study on the simplification of labeling requirements for chemicals and the use of e-labelling, General Product Safety Regulation (GPSR), CLP revision, Product Liability

Directive, recycled content in toys, Toys safety Directive scope revision, Gulf countries – revision guidance Conformity Assessment Procedure, Bioplastic Online public consultation questionnaire, Microplastic restriction, Reach Revision, REACH_Inclusion of Lead in Annex XIV and EU customs revision among others.

Outlook

In the coming years, the Group will continue to adapt its working methods and means to maintain its own standards and level of compliance concerning product safety. BIC will continue to expand its regulatory monitoring activities to remain ready to adapt its processes, products and formulas to ever more demanding regulatory expectations.



3.4. ETHICS AND BUSINESS CONDUCT [NFPS]

BIC strongly believes that in order to succeed as a business, the Company must uphold the strongest standards and principles at all times – acting responsibly, with the planet, society and future generations in mind.

3.4.1 RISKS [NFPS]

[NFPS risk 6] BIC has identified risks related to corruption among its main CSR risks. The risk of corruption and unfair practices can lead to legal actions against the Group and major consequences in terms of reputation and attractiveness. Assessing, mapping and managing this risk is an opportunity for BIC to further develop its culture of ethics within the Group.

3.4.2 POLICIES, ACTIONS TAKEN, RESULTS AND OUTLOOK [NFPS]

3.4.2.1 The BIC Code of Conduct

BIC continuously monitors compliance laws and ensures team members are updated on the BIC Code of Conduct through training and awareness campaigns.

In 2022, BIC reviewed its Code of Conduct to further simplify it and to openly acknowledge the Group's willingness to comply and abide to specific applicable French legislation.

This review ensured the Group's team member are familiar with BIC's obligations and commitments to comply with the Transparency, Fighting Corruption and Modernising Economic Life (known as Sapin II Law) legislations as well as the Due Diligence French law.

Regardless of their role, seniority or location, all team members are required, at all times, to comply with this Code, the Group's policies and standards. The same is true of all applicable laws, regulations and industry standards that relate to their individual work. The new version of BIC Code of Conduct will be deployed as of January 2023 with visible support of the Group's CEO and Executive Committee. All employees in all locations will be invited to complete an online training and/or to attend face-to-face training for those employees who are not using computers in their day-to-day work.

The Code of Conduct is publicly available and is distributed to all new employees as part of the onboarding process. It is translated into seven languages – English, Spanish, French, Greek, Hindi, Portuguese and Russian – and is available on the BIC Intranet, the central information hub for all team members worldwide, as well as the website www.bic.com.

3.4.2.2 BIC Anti-Corruption Policy

Since 2016 and updated in October 2020, the Group Anti-Corruption Policy has defined the appropriate conduct mandatory for all BIC personnel. This includes team members, managers, Directors and all parties acting on the Group's behalf: subsidiaries, affiliate companies, partners under contract, wholesalers and consultants. The Policy describes how business should be conducted with third parties to protect against corrupt practices. BIC does not tolerate corruption or bribery and is committed to fighting them in all their forms. The Anti-Corruption Policy covers the following topics:

- interactions with government officials, private entities and persons who are not government officials;
- gifts, corporate gifts and sponsorship;
- relations with stakeholders;
- donations, contributions to communities and political parties;
- conflicts of interest;
- monitoring, record keeping and reporting of any breaches of anti-corruption laws.

The Group Anti-Corruption Policy is translated into seven languages – English, Spanish, French, Greek, Hindi, Portuguese and Russian – and is on the home page of the BIC Intranet as well as the external website www.bic.com.

3.4.2.3 Internal Whistleblowing System

"BIC Speak Up", the Group's anonymous and confidential reporting system, is accessible to all current and former BIC team members. It is open 24 hours a day and is available in over 200 languages.

A notable achievement in 2022 to bolster the Group's internal whistleblowing system includes the first face-to-face workshop for the Group's internal investigators in Europe. This new workshop aimed to build up investigators' capabilities, was held in BIC's Clichy headquarters by the Group's Compliance Officer with the support of an external law firm and a consultant specialized in internal investigations. It included a mix between theory and practice to ensure the Group's internal investigators are equipped with the right tools and techniques to conduct objective, facts based and impartial investigations. This workshop was an opportunity to systematize the non-retaliation check for all team members potentially participating in a internal investigation.

BIC is committed to ensuring the confidentiality of the information gathered and that no retaliations takes place against team members who report in good faith a breach of the BIC Anti-Corruption Policy or of the BIC Code of Conduct.

The alert hotline is accessible to third parties and is featured on the BIC Intranet and www.bic.com. This alert mechanism aims to call out any actions or conduct that would be contrary to integrity, honesty or equity. BIC continues its efforts to continuously monitor and improve compliance with the BIC Anti-Corruption Policy, the BIC Code of Conduct and other legal requirements, policies and guidelines. In 2021, BIC developed and deployed a third-party due diligence program to monitor, identify, mitigate and document any exposure to corruption and unfair practice risks. Such due diligence and mitigating actions are managed and documented through an integrity tool.

In 2022, BIC took the compelling decision to further develop, enhance, improve and systematize the Group's third-party due diligence program to enable a holistic and consistent evaluation of all BIC's suppliers and business partners at all levels of the value chain.

The Group has therefore invested in a sophisticated tool which offers the possibility to be integrated into the internal procurement systems thus moving the Company's compliance program to the next level. The tool's full deployment is planned for 2023.

3.4.2.4 Responsible lobbying and participation in sector working groups

BIC considers lobbying to be a positive action, making good use of its industrial expertise and market knowledge in its relationships with public authorities. For the Group, lobbying is quite simply communication, targeted at decision makers and important players, on key issues and the lessons learned from its experience to help establish the necessary balance. Its purpose is to help improve the effectiveness of regulatory action, to improve the safety of the products available on the market, thereby improving consumer safety and ensuring fair competition. In this way, BIC seeks to be recognized and consulted as a stakeholder in all decisions and actions affecting its operations.

3.4.2.4.1 Participation in sector dialogue

BIC continues its efforts to pursue its lobbying activities in a responsible, ethical way. This is to ensure that the legal and regulatory decisions, as actions taken to enforce rules, have realistic and effective technical and economic consequences and maintaining or restoring fair and honest relations among market players.

Although BIC has no tradition of making public statements on major industrial or societal topics, the Group does address the public when it feels necessary. It also participates in industry discussions and seeks to exert its influence in four key areas that are directly related to its commitments as a responsible corporation:

- product safety;
- combatting counterfeiting;
- combatting unfair competition; and
- environmental protection.

BIC lobbies primarily as a member of various organizations, participating as needed in their working groups and the development of their positions.

BIC is a member of the Executive Committees of the main industry associations, and in some cases, has been for many years.

Lobbying activities can also take the form of direct contacts with relevant authorities, institutions, governmental agencies and NGOs.

The Group's subsidiaries also cultivate direct relations with the national authorities in their countries of operation. However, the Group has no professional lobbyists on its payroll.

3.4.2.4.2 Clearly identified lobbying responsibilities

At the highest level within the Group, CEO Gonzalve Bich and the members of the Executive Committee are responsible for steering and monitoring all lobbying activities on a regular basis.

The operational responsibility for BIC's relationships with public authorities and institutions is delegated to a small number of named managers to represent the Group in the above-mentioned proceedings. The members of the Executive Committee are kept informed of the progress of laws and regulations that affect their operations.

BIC ensures strict compliance with local laws and regulations in the pursuit of its lobbying activities. Like all the Group's activities, lobbying is always monitored by BIC's Legal Department, governed by the Anti-Corruption Policy and the BIC Code of Conduct, which names the people to be notified in case of breaches.



3.5. MILESTONES [NFPS]

This follows the methodological recommendations of the Global Reporting Initiative (GRI). The GRI indicators used herein are included in the cross-reference table of ESG information on page 331.

3.5.1 SUMMARY TABLE OF THE NON-FINANCIAL PERFORMANCE STATEMENT [NFPS]

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R1 – Risks related to plastics: plastic waste and resource depletion.	Section 3.2.3.1	<p>BIC's policies</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products.</p> <p>Writing the Future, Together: #2 Acting against climate change.</p> <p>BIC's approaches</p> <p>The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle).</p> <p>An eco-design approach incorporating environmental and societal criteria.</p> <p>An approach to increase the use of recycled and alternative materials in all products.</p> <p>Systematic evaluation of all products based on environmental and societal criteria.</p> <p>Developing an innovative circular economy model.</p> <p>Partnerships for innovation approach.</p>	<ul style="list-style-type: none"> • 5.70% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 70% of reusable, recyclable or compostable plastic in consumer packaging. • 54.7% recycled content of plastic packaging. • 96.2% PVC-free packaging. • 97.7% of BIC cardboard packaging comes from a certified and/or recycled source. • 3 products improved vs their baseline • 16 BIC® products with the NF <i>Environnement</i> ecolabel. • At end-2022, over 73,3 million pens collected through TerraCycle®. • 34 alternative materials tested.
R2 – Risks related to climate change.	Section 3.2.1.1	<p>BIC's policies</p> <p>Writing the Future, Together #1 Fostering sustainable innovation in BIC® products.</p> <p>Writing the Future, Together #2 Acting against climate change.</p> <p>Environment, Health & Safety Policy.</p> <p>BIC's approaches</p> <p>Purchasing electricity from renewable sources.</p> <p>Eco-design approach.</p> <p>Action plan with measures to mitigate climate-related risks at facilities.</p> <p>Environmental management systems at facilities.</p> <p>Energy efficiency approach.</p>	<ul style="list-style-type: none"> • 5.70% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 76% share of renewable energy. • 74,309 teqCO₂ (location-based) direct and indirect GHG emissions (scopes 1 and 2), i.e., -11% compared to 2021. • 0.74 teqCO₂/ton of production (scopes 1 & 2). • 11.40 gigajoules/ton of production, i.e., -4.7% compared to 2021. • 1.84% share of air freight (in tons/kilometers) (vs. 2.82% in 2021).

Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R3 – Risks related to product safety and consumer health & safety.	Section 3.3.4.2.1	<p>BIC's policies Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Product Safety Policy. The seven BIC commitments to ensure the quality and safety of its lighters.</p> <p>BIC's approaches Regulatory watch and compliance. Process for marketing safe products that comply with health and environmental standards. Process for evaluating recycled materials. Systematic testing and evaluation programs.</p>	<ul style="list-style-type: none"> • The Product Safety team held 15 training sessions to different Group departments such as the Group Insights & Innovation, Quality & HSE teams in manufacturing site and IT department.
R4 – Risks related to health and safety of team members.	Section 3.3.1.3.1	<p>BIC's policies Writing the Future, Together #3 Committing to a safe work environment. Environment, Health and Safety (EH&S) Policy.</p> <p>BIC's approaches Roll-out of the EH&S Suite platform. Health-Safety reporting. Environment-Health-Safety guidelines. Safety watch. Safety certification (OHSAS 18,001) for four Stationery factories. "Quality of Life at Work" program.</p>	<ul style="list-style-type: none"> • 70 lost time incidents for the BIC workforce. • 50 facilities without injuries. • 2.09 on-site accident incidence rate–BIC workforce. • 0.10 severity rate of on-site accidents–per thousand hours worked–BIC permanent and fixed-term employees.
R5 – Risks related to non-respect of human rights (child labor, international conventions, ILO).	Section 3.3.2.1	<p>BIC's policies Writing the Future, Together #4 Proactively involving suppliers. BIC's Code of Conduct. Supplier Code of Conduct</p> <p>BIC's approaches Social audit program. EcoVadis evaluation.</p>	<ul style="list-style-type: none"> • 57% of permanent employees work in "free countries" with respect to human rights. • 92% of all BIC® products are produced in the Group's own factories. • 31% of contract manufacturers audited between 2021 and 2022. • 60% of BIC factories are located in countries with no Human Rights risk.
R6 – Risks related to unfair practices (corruption).	Section 3.4.1	<p>BIC's policies BIC Group Code of Conduct. BIC Group anti-corruption policy.</p> <p>BIC's approaches Anti-corruption training. Deployment of the Group's Code of Conduct. BIC Speak-up hotline.</p>	



Non-financial risks	Description of the risks and opportunities	Policies and actions taken	Main results/indicators*
R7 – Risks related to our operations and the environment.	Section 3.2.2.1	BIC's policies Environment, Health & Safety (EH&S) Policy. BIC's approaches Environmental management systems at the facilities (internal or ISO 14001). Various certifications for certain facilities: <ul style="list-style-type: none"> • ISO 50001; • European Water; • Stewardship Gold; • BREEAM; • LEED. Water consumption reduction approach. Waste reduction approach. See also Risk 2.	<ul style="list-style-type: none"> • 3.73 m³/ton annual water consumption. • 0.179 tons of non-hazardous waste/ton of production. • 0,028 tons of hazardous waste/ton of production. • 73% of non-hazardous waste recycled (in tons). • 41.4% of hazardous waste incinerated with energy recovery (in metric tons). • 90 volunteer operations, product donations and financial donations worldwide in 2021 (all areas combined). • 900 thousand euros in product donations and financial aid worldwide.
R8 – Risks related to reputation and brand.	Section 3.3.4.1.1	BIC's policies Writing the Future, Together #1 Fostering sustainable innovation in BIC® products. Responsible Communication Charter. BIC's approaches The "4 Rs" philosophy (Reduce, use Recycled and alternative materials, Refill, Recycle). An eco-design approach incorporating environmental and societal criteria. Increased use of recycled and alternative materials in all products. Systematic evaluation of all products based on environmental and societal criteria. Development of an innovative circular economy model. Partnerships for innovation.	<ul style="list-style-type: none"> • BIC® products' performance in use: <ul style="list-style-type: none"> • more than 2-km of writing for most ballpoint pens, • up to 3,000 flames for a lighter, • 17 shaves for a triple-blade shaver, <ul style="list-style-type: none"> • 16 BIC® products have earned the <i>NF Environnement</i> ecolabel. • 100% of the environmental claims for BIC® products on packaging, in catalogues and on websites in Europe are validated by the Legal Department. • 5.70% of non-virgin petroleum plastic in BIC® products (4.0% in 2021). • 70% of reusable, recyclable or compostable plastic in consumer packaging. • 54.7% recycled content of plastic packaging.
R9 – Risks related to experienced team members and skills.	Section 3.3.1.4.1	BIC's approaches Succession Plans. Team member training.	<ul style="list-style-type: none"> • 16,238 training days-permanent employees.

* See also Section 3.5.4 Indicator table.

3.5.2 NON-FINANCIAL RATINGS

In 2022, BIC was listed on the following socially responsible investment indexes:

- CDP Climate 2022: Leadership Level A-;

In 2022, BIC was awarded the ISS ESG Prime Corporate rating, fulfilling the holistic sustainability performance requirements based on an analysis of more than 100 sector-specific ESG factors, judged against industry peers.

3.5.3 PERIMETER AND SELECTION OF INDICATORS

The reporting period covered by this report is from January 1st to December 31st, 2022.

3.5.3.1 Information not included in the Non-Financial Performance Statement

In compliance with Article L. 225-102-1 of the French Commercial Code, BIC does not include the following topics in its Non-Financial Performance Statement, because they do not represent major challenges, risks or opportunities for the Group.

Impact on biodiversity

The Group's impact on biodiversity is primarily through its land use (industrial, logistical and administrative facilities). To evaluate this impact, BIC relies on a "facility approach". A cartographic analysis of the physical surroundings of each BIC 22 factory was done in 2011⁽¹⁾. The majority of BIC's factories are in non-sensitive (in most cases industrial) zones, and neither their land use nor their operations pose any evident risk to their surroundings. In places where there are specific obligations, the management systems address the problem and enable follow-up.

Air, water and soil releases that seriously affect the environment

The nature of the Group's manufacturing operations, primarily the molding and assembly of plastic products and printing of products, has a relatively low local environmental impact compared with other manufacturing sectors. Nevertheless, the BIC Sustainable Development Program, based on the EH&S Policy, requires each facility to measure, evaluate and reduce any significant environmental impact.

Conditions for use of soil

In Europe and the United States, where most of the Group's facilities are located, whenever an industrial facility is closed, BIC ensures it is decommissioned in accordance with local laws and best environmental practice. When appropriate or when required by law, BIC studies the soil and subsoil although this is not required for most facilities. Pollution studies at European plants in operation for many years show that the Group's activities do not have a significant impact on soil and subsoil. For French plants subject to specific regulatory requirements, the policy for preventing the risk of soil pollution is an integral part of the operating plan.

Noise and odor impact

Odor is considered an insignificant aspect in the Group's product molding, assembly and printing activities.

As regards noise impact, measures are taken within the property limits to meet local administrative limits. If any noise pollution is brought to the Group's attention in the future, studies will be conducted and appropriate corrective action taken.

Combatting food waste and food insecurity and promoting responsible, fair trade, sustainable food

Although these are not key issues for BIC, the Group holds regular awareness events for team members in its Company restaurants, especially in Brazil and France.

3.5.3.2 Reporting perimeter of indicators

Regarding indicators that refer to HR, the reporting perimeter encompasses the BIC workforce which includes permanent employees, fixed-term contracts and agency temporary staff at all French and foreign operational units within the Group.

The environmental indicators concern operations that have a significant impact, namely the industrial activities owned by the Group. These indicators therefore concern BIC factories that produce finished or semi-finished products. They also apply to its engineering units and packaging operations with over 50 employees or where operations are subject to government regulations such as SEVESO (EU), PSM or RMP (United States). Group headquarters with over 200 permanent employees are also included in the reporting. Any new site meeting the perimeter thresholds established above should aim to meet program requirements within five years following its first financial consolidation.

BIC Nantong is excluded from the reporting perimeter because this plant produces less than 1% of the Group's total lighter volume. Djep is excluded as well.

For health and safety indicators, all Group facilities (offices, industrial facilities and hosted contracts) are included in the perimeter except the Sibjet site. The reporting perimeter encompasses the BIC workforce which includes permanent employees, fixed-term contracts and agency temporary staff.

In 2022, Pentex Pen & Stationery, Cello Writing Aids, Cello Writing Instruments & Containers are no longer in the reporting perimeter due to their closure.

3.5.3.3 Indicators

The published indicators are chosen to best represent BIC's main social and environmental challenges.

The inventory of BIC's activities for communities is compiled from information and data sent annually by management at each subsidiary. This reporting is an estimate of project numbers and value.

Financial indicators, those referring to HR, occupational accidents and the environment are compiled using multiple data collection systems that give favor the dedicated Intranet tools, under the responsibility of their respective departments. The consistency of the data is verified before consolidation.

Concerning environmental and health and safety reporting, and for packaging data, to ensure that the published data is more reliable, information from previous years may be corrected when necessary.



(1) Excluding Cello Pens.



The environmental indicators are normalized to production so that their measurements are less affected by changing production volumes. However, it should be noted that these indicators also include elements that are not correlated to production, such as energy consumption for the heating and lighting of buildings, which correlates more closely to climatic conditions. The classification of such waste treatment is based on the channels to which they are directed.

In addition, for BIC, the term “water consumption” is understood to mean total water inputs, regardless of any subsequent treatment or wastewater discharge.

Concerning the reporting of GHG emissions, the conversion factors for scope 1 are from the French Environment and Energy Management Agency (ADEME) carbon database (version 2.20.0). Conversion factors for scope 2 “location-based” emissions are those proposed annually by the International Energy Agency (IEA). Unless otherwise indicated, the indirect emissions correspond to scope 2 emissions using a location-based approach.

Concerning the reporting of indirect emissions (scope 3), BIC provides an annual report on its emissions. The underlying assumptions and emission factors are reviewed regularly to ensure they continue to be relevant.

In addition, to ensure transparency, further information is provided on some indicators below.

GHG emissions related to raw material purchases

This indicator includes the main raw materials used in the products of the three main categories. That includes Cello (since 2018).

It also uses raw materials used in packaging reported under the indicators: percentage of reusable, recyclable or compostable consumer plastic packaging, percentage of responsibly sourced cellulose packaging, PVC free plastic packaging and recycled plastic packaging.

Share of the BIC® product portfolio assessed using EMA

In 2022, the perimeter of application for this indicator is as follows:

- Human Expression: all writing, marking, coloring and correction products excluding:
 - Cello® products,
 - Sheaffer® products,
 - products under licence,
 - unbranded writing instruments,
 - sticky notes,
 - certain specific writing products (Stypen® EasyClic®, Fountain Xpen®, Gilbert® products, Velleda® whiteboards),
 - some coloring products (paints, gouache, glitter pens);
- Blade Excellence: one-piece products, hybrid products excluding products in the System family;
- Flame for Life: pocket lighters, and excluding products from the Utility family;
- And the exclusion of the following entities: BIC Graphic, BIC Nigeria, OEM/Trading products, and by-products.

Number of products improved

Each year, only products that are intended to be launched on the market or that are already marketed are included in the calculation of this indicator.

Percentage of non-virgin petroleum plastic for BIC® products

This indicator concerns the recycled or alternative plastics purchased for the manufacture of BIC® products and internal recycled plastic. It is calculated on weight of plastic raw material and component purchased for products manufactured in the factories operated by BIC (excluding BIC Graphic, Nigeria and Djeej) as well as internal recycled plastic.

Percentage of reusable, recyclable or compostable consumer plastic packaging

This indicator corresponds to consumer packaging that is either reusable, recyclable or compostable. It is calculated on material weight and concerns the consumer plastic packaging (pouch, blisters, etc.). The indicator reported for 2022 concerns the products in the three main categories (excluding BIC Graphic and recent sales and acquisitions and certain OEMs).

Percentages of responsibly sourced ⁽¹⁾ cellulose packaging, PVC free plastic packaging and recycled plastic packaging

This indicator includes all packaging for packaged BIC® products delivered to the Group's customers worldwide (except pallets):

- consumer packaging (pouch, blister, cardboard box);
- outer/inner;
- shrink-wrap;
- lighter displays, etc.

It is calculated on material weight and concerns the products of the three main categories (excluding BIC Graphic and recent sales and acquisitions, and certain OEMs).

Percentage of air freight

The scope of this indicator is the inter-site shipping, *i.e.*, all the factory to factory and factory to warehouse shipments (BIC factories and warehouses, contract manufacturers; inter and intra-continental). It is expressed in tons/kilometer and concerns all Group activities (excluding recent sales and acquisitions). In 2018, the activities of Cello Pens were included in the reporting perimeter for this indicator. This indicator does not take into account road transport in sea and air freight.

Emission factors were updated in 2019: the relevant emission factors are from the French Environment and Energy Management Agency (ADEME) carbon database (version 2.20.0).

Percentage of contract manufacturers audited

The indicator applies to all contract manufacturers of finished products. The rating system measures the level of performance of each contract manufacturer based on the social indicators in the Group Code of Conduct. This indicator concerns all Group activities except Cello Pens.

(1) A cellulose package is considered to be responsibly sourced if at least 50% mass of the cellulose is certified or recycled.



Writing the Future, Together #4 Proactively involving suppliers

The indicator “percentage of strategic suppliers that have joined the sustainable purchasing program” is also calculated excluding Cello, BIC Kenya, Nigeria, Djeeep, BIC Graphic, and certain OEMs.

Writing the Future, Together #5 Improving lives through education

The number of children whose learning conditions have been improved by BIC is an estimate of children impacted by direct actions and/or programs targeting teachers, deans or parents.

This number is a minimum because some of BIC’s efforts may not be reported.

Since 2019, the methodology for estimating the number of children impacted by an action *via* teachers is as follows: one teacher directly impacted is reported as 90 children (indirect impact). This corresponds to the impact of the action on a teacher for at least three years and to the worldwide average of a class of 30 children ($3 \times 30 = 90$ children per teacher).



3.5.4 INDICATOR TABLE

Environmental indicators	Unit	2020	2021	2022
Management systems of factories				
Factories with environmental and health & safety management systems (or being implemented)	%	87.5	82.2	83.1
Energy consumption				
Annual energy consumption	Gigajoules	981,437	1,097,484	1,136,505
Writing the Future, Together #2 Share of renewable electricity	%	80	79	76
Annual energy consumption normalized to production	Gigajoules per ton	12.96	11.96	11.39
Greenhouse Gas (GHG) emissions				
Total amount of annual GHG emissions (location-based)	tCO ₂ eq	78,046	83,456	74,309
• Direct GHG emissions (Scope 1) (location-based)	tCO ₂ eq	7,659	8,226	8,375
• Indirect GHG emissions (Scope 2) (location-based)	tCO ₂ eq	70,387	75,231	65,932
Total amount of annual GHG emissions GES (market-based)	tCO ₂ eq	33,185	35,311	40,244
• Indirect GHG emissions (Scope 2) market-based	tCO ₂ eq	25,438	27,086	31,870
Total ratio of annual GHG emissions to production (Scope 1 & 2)	tCO ₂ eq/ton	1.03	0.91	0.74
GHG emissions related to raw material purchases (Scope 3)	tCO ₂ eq	232,000	292,000	282,000
GHG emissions related to intra-Company transport ^(a) (Scope 3)	tCO ₂ eq	18,000	49,000	42,000
Water consumption				
Annual water consumption	m ³	394,821	423,679	372,349
Ratio of annual water consumption to production	m ³ per ton	5.22	4.62	3.73
Waste production				
Annual waste production	Tons	17,453	19,487	20,713
• Non-hazardous waste	Tons	14,931	16,548	17,880
• Hazardous waste	Tons	2,522	2,939	2,833
Ratio of annual production of waste to production	Tons/tons	0.230	0.212	0.208
Recycled waste	%	64.5	65.4	65.6
Recovered waste (recycled or incinerated with energy recovery)	%	82	82.4	82.2
Transportation				
GHG emissions related to intra-Company transport ^(a)	tCO ₂ eq/ton	0.246	0.483	0.282
Intra-Company transport without air freight	%	99.16	97.18	98.16
Products				
Writing the Future, Together #1 Share of recycled or alternative materials in BIC® products	%	4.3	4.0	5.70
Number of products certified with the French <i>NF Environnement</i> ecolabel	Number	19	16	16
Number of products whose environmental and/or societal footprint improved.	Number	9	12	3
Packaging ^(b)				
BIC cardboard packaging from a certified and/or recycled source	%	97.3	97.4	97.7
BIC plastic packaging PVC free	%	94.4	95.6	96.2
Writing the Future, Together #1 Reusable, recyclable or compostable plastic in consumer packaging ^{(c) (e)}	%	42.5	59.6	70.0
Writing the Future, Together #1 Recycled content of plastic packaging ^(c)	%	48.9	52.1	54.7
Other Indicators				
Provisions and guarantees for environmental risks ^(d)	Million euros	-	-	-
Compensation paid during the fiscal year under court order	Million euros	-	-	-

(a) Excluding transport by road in sea and air travel.

Figures excludes BIC Graphic, recent acquisitions and certain OEMs.

(b) Indicator measured for the first time in 2020 as part of BIC's commitment that year.

(c) Environmental guarantees are listed in Note 26 "Off-balance sheet commitments: sureties, deposits and guarantees" to the consolidated financial statements for the year.

(d) The 2020 figure (49.3%) was revised following a test audit in 2021. BIC decided to publish the revised figure.

Social indicators	Unit	2020	2021	2022
Group workforce				
Total workforce ^(a)		13,752	14,115	15,898
• Permanent employees	Number of employees	11,246	10,464	10,580
• Fixed-term contracts	Number of employees	587	716	781
• Temporary workers	FTE	1,919	2,935	4,441
• Interns & Apprenticeships ^(b)	Number of employees	-	-	96
Voluntary turnover	%	14	16	12
Permanent workforce by region				
Percentage of permanent workforce by region				
• Europe	%	35.8	38.4	39.4
• North America	%	6.6	7	7.4
• Latin America	%	19.2	22	22.4
• Middle East & Africa	%	6.1	6.9	8.1
• India	%	31.3	24.9	21.7
• Asia-Pacific	%	0.99	0.88	1.0
Permanent workforce by activity				
Percentage of permanent workforce by activity				
• Group Commercial	%	18	18.44	18.94
• Graphic	%	2.5	2.2	2.56
• Group Supply Chain	%	66.3	64.2	62.33
• Lighters	%	8.4	8.89	9.20
• Group Insights & Innovation	%	1.7	1.82	1.82
• Group BIC Services	%	0.92	2.06	2.19
• BIC Group	%	0.01	0.08	0.01
• BIC Foundation	%	0.01	0.01	0.01
• Corporate Stakeholder Engagement	%	0.05	0.04	0.03
• Group Communications	%	0.12	0.14	0.15
• Group Finance	%	0.52	0.39	0.47
• Group HR	%	0.3	0.39	0.55
• Group IT	%	0.8	0.94	1.02
• Group Legal	%	0.3	0.34	0.31
• Strategy & Business Development	%	0.03	0.10	0.14
• Group Partnership & Business Development	%	-	-	0.26
Training, career management and engagement^(c)				
Percentage of employees that have received training				
• Number of training days ^(b)	Days	24,202	12,085	16,238
• Number of training days per employee ^(b)	Days	3.1	1.6	1.5
Number of training hours per theme ^(b)				
• Technical training	Hours	124,634	46,405	51,964
• Leadership skills	Hours	NA	NA	NA
• BIC culture	Hours	NA	NA	NA
• Health & Wellbeing	Hours	22,960	28,650	34,915
• Personal Effectiveness	Hours	33,508	6,498	2,939
• Management Skills	Hours	4,009	5,472	4,103
• Crisis Management	Hours	4,095	2,356	NA
• Business Skills for Tomorrow	Hours	4,408	7,298	4,087
• BIC eLearning and Global development programs	Hours	-	-	38,891
Number of Total Promotions (Superior Level)	Number	270	223	234



Social indicators	Unit	2020	2021	2022
Diversity^(c)				
Percentage of women in management and workforce	%	46	44	43
• Board of Directors	%	46	50	50
• Executive Committee	%	22	30	36
• Level 4 and above (Executives & ExCom)	%	26	29	32
• Level 3 (Senior Managers)	%	39	40	40
• Level 1 and 2 (Managers & Professionals)	%	39	40	41
• Non-managers	%	49	46	44
• Europe	%	38	38	39
• North America	%	44	47	46
• Latin America	%	49	51	51
• Middle East & Africa	%	38	37	37
• India	%	56	48	42
• Asia-Pacific	%	47	43	44
Safety				
Writing the Future, Together #3 Lost-time injuries ⁽¹⁾	Number	50	58	70
Sites without lost-time injuries	Number	62	40	50
Incidence rate of workers' accidents – BIC permanent and fixed-term employees (accidents with temporary or permanent incapacity)	Number/million hours worked	1.85	2.17	2.60
Incidence rate of workers' accidents – BIC workforce	Number/million hours worked	1.63	1.99	2.09
Severity rate of workers' accidents – BIC permanent and fixed-term employees (days of temporary incapacity)	Number/thousand hours worked	0.07	0.09	0.10
Absenteeism				
Absenteeism rate for permanent and fixed-term (excluding on-site accidents and maternity)	%	1.4	1.19	1.52

(a) A minor adjustment of + 3 has been noted on the FY2021 headcount data (-7 permanent and +10 Fixed Term Contracts).

(b) Prior to 2022, Interns and Apprentices were reported within Fixed term Contract data.

(c) BIC permanent employees.

(1) BIC Work Force.

Societal indicators	Unit	2020	2021	2022
Supplier relationships				
Writing the Future, Together #4 Percentage of strategic suppliers integrated in the responsible purchasing program	%	25.8	52.3	65.5
Respect for Human Rights in the workplace				
BIC permanent employees working in countries with no Human Rights risk ^(a)	%	85	58	57
BIC factories located in countries with no Human Rights risk ^(a)	%	84	65	60
Sponsorship				
Contribution to communities (percentage of the Group's pretax profit)	%	0.9	0.7	0.2
Improving lives through education				
Writing the Future, Together #5 Children with improved learning conditions (cumulative)	Million	118	158	187

(a) Source: Freedom House.



3.5.5 TAXONOMY ANNEX I, II AND III

PROPORTION OF REVENUE FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR FY2022

Economic Activities	Code	Absolute Revenue	% of Revenue	Substantial contribution criteria	
				Climate change mitigation	Climate change adaptation
				Euros	%
A. Taxonomy-Eligible activities (A1. + A2.)					
A1. Environmentally sustainable activities (Taxonomy-aligned)					
Total Revenue of environmentally sustainable activities (Taxonomy aligned)		0	0%		
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned)					
Total Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned) (A.2)		0	0%		
TOTAL A.1 + A.2		0	0%		
B. Taxonomy Non-eligible activities					
Revenue of non eligible taxonomy activities		2,233,941,000	100%		
TOTAL (A+B)		2,233,941,000	100%		

DNSH (do not significantly harm) criteria							Taxonomy aligned proportion of Revenue year N	Taxonomy aligned proportion of Revenue year N-1	Category (enabling activity)	Category (transitional activity)
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	%	%		
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N				
							0%	N/A	N/A	N/A



PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE
COVERING YEAR FY2022

Economic Activities	Code	Absolute CAPEX Euros	% of CAPEX %	Substantial contribution criteria	
				Climate change mitigation %	Climate change adaptation %
A. Taxonomy-Eligible activities (A1. + A2.)					
A1. Environmentally sustainable activities (Taxonomy-aligned)					
Collection and transport of non-hazardous waste in source segregated fractions	5.5	18,927	0.01%	100%	0%
Installation, maintenance and repair of energy efficiency equipment	7.3	111,403	0.08%	100%	0%
Installation, maintenance and repair of charging stations for electric vehicles	7.4	- 2,199	-0.002%	100%	0%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	1,878	0.001%	100%	0%
Installation, maintenance and repair of renewable energy technologies	7.6	57,058	0.04%	100%	0%
Professional services related to energy performance of buildings	9.3	13,500	0.01%	100%	0%
Total CAPEX of environmentally sustainable activities (Taxonomy aligned)		200,568	0.15%	100%	
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned)					
Manufacture of Other Low Carbon Technologies	3.6	31,047	0.02%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	10,426	0.01%		
Acquisition and ownership of buildings	7.7	25,266,000	18.63%		
Close to market research, development and innovation	9.1	390,670	0.29%		
Total CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned) (A.2)		25,698,143	18.95%		
TOTAL A.1 + A.2		25,898,711	19.10%		
B. Taxonomy Non-eligible activities					
CAPEX of non eligible taxonomy activities		109 713 733	80.90%		
TOTAL (A+B)		135 612 445	100.00%		

DNSH (do not significantly harm) criteria										
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of CAPEX year N	Taxonomy aligned proportion of CAPEX year N-1	Category (enabling activity)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%		
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.01%	N/A	E	-
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.08%	N/A	E	-
Yes	Yes	Yes	Yes	Yes	Yes	Yes	-0.002%	N/A	E	-
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.001%	N/A	E	-
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.04%	N/A	E	-
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.01%	N/A	E	-
							0.15%	N/A	N/A	-



PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE
COVERING YEAR FY2022

Economic Activities	Code	Absolute OPEX	% of OPEX	Substantial contribution criteria	
				Climate change mitigation	Climate change adaptation
		Euros	%	%	%
A. Taxonomy-Eligible activities (A1. + A2.)					
A1. Environmentally sustainable activities (Taxonomy-aligned)					
Total OPEX of environmentally sustainable activities (Taxonomy aligned)		0	0%		
A2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned)					
Close to market research, development and innovation	9.1	314 250	0.064%		
Total OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned) (A.2)		314 250	0.064%		
TOTAL A.1 + A.2		314 250	0.064%		
B. Taxonomy Non-eligible activities					
OPEX of non eligible taxonomy activities		487 097 645	99.936%		
TOTAL (A+B)		487 411 896	100%		

DNSH (do not significantly harm) criteria

Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of OPEX year N	Taxonomy aligned proportion of OPEX year N-1	Category (enabling activity)	Category (transitional activity)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%		
							0%	N/A	N/A	N/A



3.5.6 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE VERIFICATION OF THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT

This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be

read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended December 31, 2022

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of BIC SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 rév. 0 (Cofrac Inspection Accreditation, scope available at www.cofrac.fr), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2022 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (code de commerce).

Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comments:

- Some KPI's definitions and scopes (annual energy consumption, direct GHG emissions (scope1)) would deserve to evolve in order to ease interpretation and comparability of Group's performances;
- Formalization of collection, consolidation and control processes of social and environmental KPIs needs to be strengthened.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on request from its headquarters.

Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

Company's responsibility

The Board of Directors is responsible for::

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

Responsibility of the Statutory Auditor appointed as independent third party

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R.225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the duty of vigilance and the fight against corruption and tax evasion);
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

Independence and quality control

Our independence is defined by Article L. 822-11-3 of the French Commercial Code and French Code of Ethics for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of seven people between October 2022 and March 2023 and took a total of twenty-three weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- We referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important⁽¹⁾. For this information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity.

3

⁽¹⁾ Qualitative information: existence of specific sustainable development governance in the company, existence of policies and actions aiming at limiting pollution and water uses, existence of a proper organization for products risk management.



- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L.233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes⁽¹⁾ that we considered to be the most important, we implemented:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities⁽²⁾ and covered and covered 23% of headcount and 36% of annual energy consumption.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 29, 2023

One of the Statutory Auditors,

Deloitte & Associés

Jean-Pierre Agazzi
Partner

Julien Rivals
Partner, Sustainability Services

(1) Quantitative information:

Social indicators: total number of permanent and fixed term contracts employees, percentage of women in permanent workforce per job level (outside of Board of Directors), number of recruitments in permanent workforce, percentage of permanent employees that have received training, absenteeism rate for permanent workforce (%).

Safety indicators: incidence rate of workers' accidents in BIC workforce (permanent and fixed term employees), incidence rate of workers' accidents in BIC workforce (permanent and fixed term employees) + temporary workers, severity rate of workers' accidents (permanent and fixed term employees).

Environmental indicators: annual energy consumption normalized to production, share of renewable electricity (%), direct GHG emissions (scope 1) location based, indirect GHG emissions (scope 2) location based, direct and indirect GHG emissions (scope 1 & 2) market based, GHG emissions related to intra-company transport (scope 3), evaluation of indirect GHG emissions (scope 3), ratio of annual hazardous and non-hazardous waste production to production, percentage of recovered waste.

Other indicators: intra-company transport without air freight (%), portion of plastic packaging PVC free (%), portion of cardboard packaging from a certified and/or recycled source (%), portion of reusable, recyclable or compostable plastic in consumer packaging (%), portion of recycled content of plastic packaging (%), number of products whose environmental and/or societal footprint improved, portion of strategic suppliers integrated in the responsible purchasing program (%), number of children with improved learning conditions (cumulative).

- (2) Audited entities:** BIC Kenya, BIC Viorex (Greece), BIC Industrial de Cuautitlan Saltillo (Mexico), BIC Iberia (Spain, BIC Graphic not included), BIC Amazonia (Brazil, Manaus site only), BIC Slovakia Co Packer.





CORPORATE GOVERNANCE

4.1. ADMINISTRATIVE AND MANAGEMENT BODIES	156
4.1.1 Governance structure	156
4.1.2 Composition of the Board of Directors	158
4.1.3 Changes in the composition of the Board	167
4.1.4 Operation of the Board of Directors	179
4.2. CORPORATE OFFICER REMUNERATION	192
Remuneration policy for Directors and corporate officers of SOCIÉTÉ BIC	192
4.2.1 Elements of Remuneration and benefits paid or awarded during FY 2022 to the Chief Executive Officer	193
4.2.2 Remuneration Policy for Executive Corporate Officers	200
4.2.3 Remuneration and benefits paid or allocated for FY 2022 to non-executive corporate officers and directors	208
4.2.4 Remuneration Policy for members of the Board of Directors	210
4.2.5 Additional information related to the Remuneration Policy	211



Governance

Clear and well-structured, our governance is organized to ensure the proper functioning of the Group and the respect of its values. In 2022, BIC strengthened its governance bodies to ensure the success of our consumer-centric strategy and our *Horizon* plan.

11 members
36% women
3 nationalities

11 Directors
50% women⁽¹⁾
50% independents⁽¹⁾
3 nationalities
8 Board meetings in 2022
98.8% attendance rate

Executive Committee

Missions

- Implements BIC's strategy
- Defines the Group's long-term ambitions
- Coordinates and provides guidance on the various functions of the Group's management
- Manages the major risks identified in BIC's risk mapping

Board of Directors

Missions

- Determines the Group's strategy
- Defines objectives and boundaries
- Provides direction and a set of expectations and guidelines to the CEO
- Monitors the company's performance

CEO

Nominations, Governance and CSR Committee

Remuneration Committee

Audit Committee

Shareholding structure

As of December 31, 2022, the total number of issued shares of SOCIÉTÉ BIC was **43,952,226**, representing **64,927,313** voting rights

46%
Bich family
voting rights:
63%



53%
Public

1%
Treasury shares

(1) Excluding Director representing employees in accordance with Article L. 22-10-7 of the French Commercial Code.



Board of Directors

BIC's Board of Directors is committed to defining the Group's strategy and is supported by three specialized committees: the Remuneration Committee, the Audit Committee and the Nominations, Governance and Corporate Social Responsibility (CSR) Committee.



Nikos Koumettis
Non-Executive Chair and Independent Director
 Appointed Independent Director on May 18, 2022 by BIC's AGM
Appointed Non-Executive Chair by the Board on May 18, 2022
Expertise: Management, Consumer, Distribution, International



Gonzalve Bich
Director and Chief Executive Officer
 Director and Chief Executive Officer since May 16, 2018
Expertise: Management, Strategy, Growth, Sustainability, Human Resources



Elizabeth Bastoni
Independent Director
 Appointed Independent Director on May 15, 2013. Chair of the Remuneration Committee, and of the Nominations, Governance and CSR Committee, Interim Lead Director between May 19, 2021 and May 18, 2022
Expertise: Consumer, CSR, Human Resources



Vincent Bedhome
Director
 Representing the employees. Appointed Director on December 13, 2017. Member of the Remuneration Committee
Expertise: Manufacturing



Marie-Aimée Bich-Dufour
Director
 Appointed Director on May 22, 2019. Member of the Nominations, Governance and CSR Committee
Expertise: Legal, CSR



Timothée Bich
Director
 Coopted Director on December 10, 2019, ratified by BIC's AGM on May 20, 2020
Expertise: Finance, International



Maëlys Castella
Independent Director
 Appointed Independent Director on May 22, 2019. Chair of the Audit Committee and Member of the Remuneration Committee
Expertise: Finance, CSR, Innovation



Marie-Pauline Chandon-Moët
Director
 Appointed Director on May 28, 2003
Expertise: Consumer, Management



Candace Matthews
Independent Director
 Appointed Independent Director on May 10, 2017. Member of the Audit Committee and of the Nominations, Governance and CSR Committee
Expertise: Management, Distribution, Consumer, International



Société MBD
Director
 Represented by Edouard Bich. Appointed Director on May 24, 2006. Member of the Audit Committee
Expertise: Investing, Finance



Jake Schwartz
Independent Director
 Appointed Independent Director on May 20, 2020. Member of the Audit Committee
Expertise: Digital, Finance, Management

GOVERNANCE EVOLUTION

- Marie-Pauline Chandon-Moët, who has been a Director since 2003, did not wish to seek renewal of her mandate. To succeed her, the Board of Directors recommended, on February 14, 2023, the appointment of Véronique Laury, upon the proposal of the Bich Family. This nomination will be submitted to the Shareholders' Meeting on May 16, 2023.
- On February 14, 2023, the Board of Directors also acknowledged Elizabeth Bastoni's decision to step down from her position as Independent Director, Chair of the Compensation Committee and of the Nominations, Governance and CSR Committee, effective from the next Shareholders' Meeting, for personal reasons. Upon recommendation of the Nominations, Governance and CSR Committee, the Board of Directors of March 17, 2023 recommended the nomination of Carole Callebaut Piwnica as an Independent Director. This appointment will be submitted to the Shareholders' Meeting on May 16, 2023.
- Following the resignation of Inna Kostuk in October 2022, the selection process for a new Director representing employees is ongoing at the date of this Universal Registration Document and the Group Committee will appoint this director before the Shareholders' Meeting.



In accordance with Articles L. 225-37 et seq. and L. 22-10-9 and L. 22-10-10 of the French Commercial Code, this chapter deals with the conditions under which the work of the Board of Directors is prepared and organized, including the organizational principles that guarantee a balance of powers. It also describes the components of the remuneration of corporate officers, including the remuneration policy in accordance with the above-mentioned provisions of the French Commercial Code, as well as the transactions in BIC shares declared by corporate officers in 2022.

This chapter has been prepared with the support of the:

- Remuneration Committee;
- Nominations, Governance and Corporate Social Responsibility (CSR) Committee; and
- Audit Committee.

It includes the Corporate Governance Report referred to in Article L. 225-37 of the French Commercial Code, as approved by the Board of Directors on February 14, 2023.

The Corporate Governance cross-reference table (page 370) indicates the sections of the Universal Registration Document corresponding to the sections of the Corporate Governance Report that do not appear in this chapter.

According to the “*comply or explain*” rule provided for in Article L. 22-10-10 of the French Commercial Code and Article 28.1 of the AFEP-MEDEF Corporate Governance Code, Société BIC refers to the provisions of the AFEP-MEDEF Corporate Governance Code.

4.1. ADMINISTRATIVE AND MANAGEMENT BODIES

4.1.1 GOVERNANCE STRUCTURE

Since its creation, the Company has been a limited liability company (“*société anonyme*”) with a Board of Directors. Its strong family shareholding allows it to evolve and adapt, to any new challenges and requirements in connection with its stakeholders. The composition of the Board of Directors reflects this family heritage, through the representation of the family shareholding and the presence of Independent Directors in compliance with the principles of corporate governance.

4.1.1.1 Our philosophy

The Group’s history is deeply rooted in an entrepreneurial spirit. This has led to inventive expansion into new categories and dynamic expansion into new regions. We consider entrepreneurship to be in our DNA. It is vitally important for the Board and the Chief Executive Officer to foster that spirit and keep it alive for future generations.

The Board works with the Chief Executive Officer to build a vision and a set of expectations and guidelines. This includes setting our growth aspirations, determining what lines of business we should be in, setting our margin expectations, and determining how to pursue our goals.

The Chief Executive Officer and his team construct the long-term strategy and annual plans to achieve these goals. In turn, the Board reviews these plans, challenges them, and ultimately approves them. Upon approval, the Board becomes jointly accountable with the Chief Executive Officer for the execution of the Company’s long-term strategy.

The purpose of BIC is to create high quality, safe, affordable, essential products trusted by everyone. Our Vision is to bring simplicity and joy to everyday life. Our Values are Integrity, Ingenuity, Responsibility, Sustainability, Simplicity and Teamwork.

The Board is also responsible for monitoring the performance of the Company. Establishing expectations and scope of activity is one of the most important Board functions. It is the Chief Executive Officer’s responsibility to provide the necessary information, analysis, and insight for the Board to effectively carry out its duties.

The information includes:

- macro-economic trends;
- competitive environment;
- new technologies;
- potential acquisitions;
- Analyses of strengths, weaknesses, opportunities, and threats (so called “SWOT” analyses);
- ROI projections; and
- retrospective analysis.

Our behavior is at all times consistent with the values and the DNA of BIC: responsibility, simplicity, agility, entrepreneurship, anti-bureaucratic spirit, quick decision-making, long-term thinking, measured risk taking, respect of the strong family heritage and the Company’s code of conduct, belief in the Brand, product-focus, manufacturing excellence, low production costs, consistent high quality, solid balance sheet.

4.1.1.2 Corporate management

Since 2018, Chair of the Board and Chief Executive Officer are two separate functions. Gonzalve Bich holds the position of Chief Executive Officer since May 16, 2018. His mandate was renewed following the Annual Shareholders' Meeting of May 18, 2022. Succeeding John Glen in May 2022, Nikos Koumettis was appointed by the Board as Non-Executive Chair on the same date.

The Chair of the Board is in charge of leading the Board and its Committees, as well as for its governance and for ensuring that they operate in accordance with their mission. The Chief Executive Officer oversees business operations and reports to the Board of Directors. The responsibilities of the Board of Directors, the Chair and the Chief Executive Officer are described in more detail in § 4.1.4.1 - *Relationships between the Board and General Management* (§ *Limitations on the powers of General Management*).

The Executive Committee reports to the Chief Executive Officer. The complete organization chart of the Group's Executive Committee is presented in § 2.4.3.2 - *The Executive Committee*.

4.1.1.3 Role, mission and report on the activity of the Lead Director

Since Chair of the Board and Chief Executive Officer are two separate functions, the Board's Internal Regulations⁽¹⁾ do not require the appointment of a Lead Director. Nevertheless, if necessary, and if or when the Chair does not meet all the independence criteria recommended by the AFEP-MEDEF Corporate Governance Code, the Board may decide to appoint a Lead Director for the duration of the non-independent Chair's term of office. The Lead Director is then chosen from among the Independent Directors.

In 2021, considering that John Glen, interim Non-Executive Chair, no longer qualified as an Independent Director, the Board of Directors decided to appoint Elizabeth Bastoni as interim Lead Independent Director.

At its meeting on May 18, 2022, the Board of Directors appointed Nikos Koumettis as Chair of the Board. Considering the new governance, and in particular the fact that Nikos Koumettis is an Independent Director, the Directors no longer deemed the function of Lead Director necessary and terminated the mandate of Elizabeth Bastoni as Lead Director at the Board Meeting of May 18, 2022.

4.1.1.4 Summary table of the implementation of the AFEP-MEDEF Corporate Governance Code

The Company considers that its practices are compliant with the recommendations of the AFEP-MEDEF Corporate Governance Code in all respects.⁽²⁾



(1) In accordance with Title 1, Article 1.1. Composition of the Board of Directors of the Company's Internal Regulations.

(2) As John Glen's term of office reached 12 years in 2020, he no longer met one of the independence criteria recommended by the AFEP-MEDEF Corporate Governance Code. Nevertheless, the Board of Directors was of the opinion that this was not likely to color John Glen's judgment nor independence and that he has been a valuable asset in this transitional period for Chair of the Board. His mandate ended on May, 18, 2022.



4.1.2 COMPOSITION OF THE BOARD OF DIRECTORS

4.1.2.1 Our Board of Directors as of December 31, 2022

	Personal information				Experience			Position on the Board			
	Main position	Age	Gender	Nationality	Number of shares	Number of directorships in listed companies ^(a)	Independence	Initial date of appointment	Term of office	Length of service on the Board	Participation in Board Committees
Company Officers											
Nikos Koumettis (Non-Executive)	President Europe of Coca-Cola	58	M	Greek Cypriot	10,501	1	✓	2022	2025	8 months	-
Gonzalve Bich (Executive)	Chief Executive Officer of Société BIC	44	M	FR U.S.	^(b)	-		2018	2025	5 years	-
Directors											
Elizabeth Bastoni	Chair of the Board of Directors and of the Nominations and Remuneration Committee of Limeade Inc.	57	F	U.S.	500	2	✓	2013	2025	10 years	Remuneration Committee (Chair) Nom., Gov. and CSR Committee (Chair)
Timothée Bich	Analyst	37	M	FR	^(b)	-		2019	2023	4 years	-
Marie-Aimée Bich-Dufour	Director of SOCIÉTÉ BIC	64	F	FR	^(b)	-		2019	2024	4 years	Nom., Gov. and CSR Committee
Maëlys Castella	Director of SOCIÉTÉ BIC	56	F	FR	500	-	✓	2019	2025	4 years	Audit Committee (Chair) Remuneration Committee
Marie-Pauline Chandon-Moët	President of Château de Ferrand SAS	56	F	FR	^(b)	-		2003	2023	20 years	-
Jacob (Jake) Schwartz	Co-Founder of Brave Health	43	M	U.S.	500	-	✓	2020	2023	3 years	Audit Committee
Candace Matthews	Director	64	F	U.S.	500	2	✓	2017	2023	6 years	Audit Committee Nom., Gov. and CSR Committee
SOCIÉTÉ M.B.D. (Édouard Bich)	Managing Director of SOCIÉTÉ M.B.D.	58	M	FR	12,886,000	-		2006	2024	17 years	Audit Committee
Director representing employees^(c)											
Vincent Bedhome	Stationery Project Manager	57	M	FR	150	-		2017	2023	6 years	Remuneration Committee

(a) Number of directorships held by the Director in listed companies outside the Group, including foreign companies, assessed in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code.

(b) Holds over 100,000 BIC shares directly and indirectly through the family holding Company, SOCIÉTÉ M.B.D. On December 31, 2022, the holding Company had 12,886,000 shares, i.e., 29.32% of Société BIC's share capital and 39.67% of the voting rights.

(c) Inna Kostuk was Director representing employees until October 14, 2022, when she ceased her duties as an employee of the Group and resigned from her position as Director.



4.1.2.2 General rules relating to the composition of the Board of Directors and the appointment of Directors

The Board of Directors is chaired by Nikos Koumettis since May 18, 2022.

The Company's Articles of Association and the Internal Regulations of the Board of Directors define the following principles:

- **number of directors:** The Board of Directors shall have a minimum of three and a maximum of twelve members, in accordance with the maximum number of members allowed by the applicable legal and regulatory provisions;
- **term of office of directors:** Directors are elected for a three-year term of office and are eligible for renewal (subject to the provisions relating to the age limit). As an exception to the above-mentioned three-year term of office, a Shareholders' Meeting may set the duration of a director's term office at one or two years, in order to enable staggered renewal of the members of the Board of Directors;
- **age limit for directors:** The age limit for Directors is 70;
- **chairmanship of the Board of Directors:** The Chair shall be appointed by the Board of Directors, from among its members. The latter must not be older than 72 years. The Chair who reaches this age limit shall be deemed to have resigned automatically at the end of the Ordinary Shareholders' Meeting which voted on the approval of the accounts of the past financial year and held in the year during which the age limit is reached. Subject to the foregoing age limit, the Chair is eligible for re-election;
- **cooptation:** When the legal conditions are met, the Board of Directors may appoint Directors on a provisional basis for the remaining term of their predecessor. In accordance with the law, provisional appointments are subject to ratification by the next Ordinary Shareholders' Meeting.

4.1.2.3 Diversity policy applied to the composition of the Board of Directors

Société BIC's Directors are appointed by the Annual Shareholders' Meeting, with the exception of Directors representing employees. The Board of Directors, on the basis of the recommendations of the Nominations, Governance and CSR Committee, submits to the Shareholders' Meeting the nomination and renewal of mandates of Directors. Proposals for appointment and renewal are made in accordance with legal and regulatory provisions and the recommendations of the AFEP-MEDEF Corporate Governance Code.

As of the date of the current Universal Registration Document, the eleven members of the Board of Directors of Société BIC include:

- **five women:** Elizabeth Bastoni, Marie-Aimée Bich-Dufour, Maëlys Castella, Marie-Pauline Chandon-Moët and Candace Matthews, i.e., 50%⁽¹⁾ female Board members;

- **one employee representative:** Vincent Bedhome⁽²⁾;
- **three different nationalities;**
- **five Independent Directors** within the meaning of the AFEP-MEDEF Corporate Governance Code: Elizabeth Bastoni, Maëlys Castella, Candace Matthews, Jacob (Jake) Schwartz and Nikos Koumettis, i.e., 50% independent members on the Board.⁽³⁾
- **100% of the Board Committees** are chaired by an Independent Director.

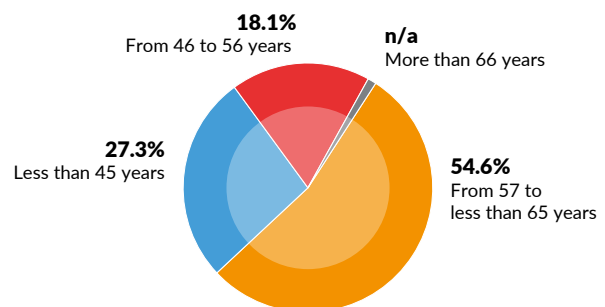
The Board strives for a balanced membership that reflects the challenges the Group is facing. The Board can rely on the recommendations of the Nominations, Governance and CSR Committee to perform this task.

The Board of Directors is composed of members with qualifications or professional experience that enable them to contribute effectively to the work of the Board, in all its areas of intervention, and to ensure the quality of its discussions. The Directors have general management experience, expertise in a particular field (such as finance, manufacturing, and HR) and/or governance experience. Some of them also have long-standing and in-depth knowledge of Société BIC and its environment. In addition, the Directors representing the employees, with their particular knowledge of the company, provide additional insight and enrich the quality of the Board's discussions. The quality of the Board's decisions is thus ensured by the diversity of the Board's membership, in terms of qualifications and professional experience, as well as the nationality and age of its members.

Considering these factors, the Board of Directors considers that its composition in 2022 met the diversity criteria examined. However, it remains attentive to any potential changes that might be consistent with the Group's development and dynamism.

In addition, information on the Company's initiatives to achieve a balanced representation of women and men on the Executive Committee as well as gender balance within the top 10% of the most senior positions is presented in § 3.3.1.6. - *Promoting diversity, equity and inclusion.*

AGE DISTRIBUTION



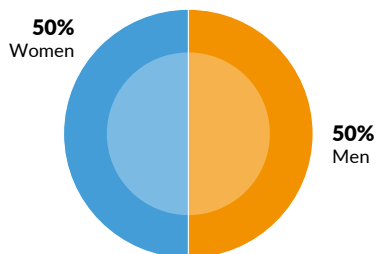
(1) Excluding Directors representing employees in accordance with Articles L. 22-10-7 and L. 225-27-1 of the French Commercial Code.

(2) Inna Kostuk was director representing the employees until October 14, 2022, when she ceased to be an employee of the Group and resigned from her position as director.

(3) Excluding Directors representing employees with recommendation n°10 of the AFEP/MEDEF Corporate Governance Code.

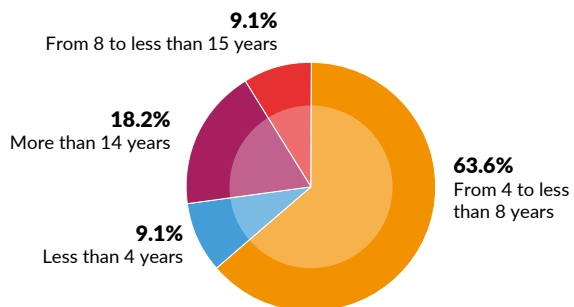


GENDER DISTRIBUTION ⁽¹⁾

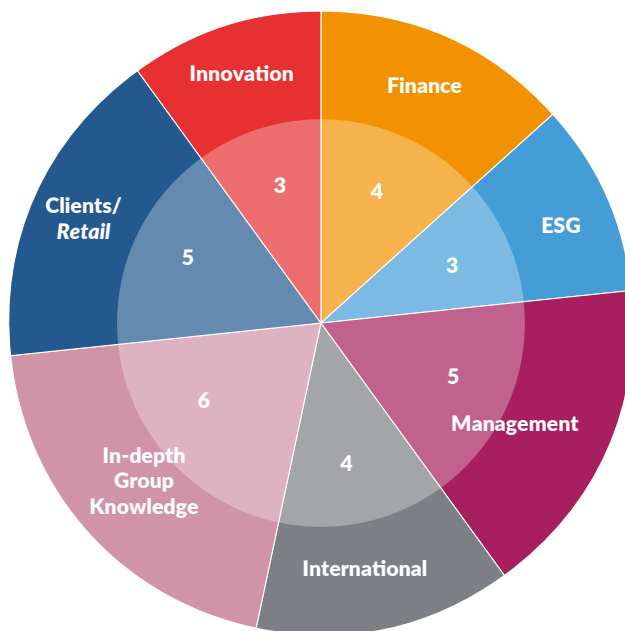


(1) Excluding the Directors representing employees.

SENIORITY IN THE MANDATE



EXPERTISE OF THE DIRECTORS ⁽¹⁾



(1) Numbers of Directors having the concerned expertise.

4.1.2.4 Selection process for Directors

	MISSION	RECRUITMENT	SELECTION	DESIGNATION
Independent directors	Definition by the Nominations, Governance and CSR Committee of the profile sought for the new director with regard to the objectives set by the Board of Directors concerning changes in its composition	Selection of candidates by the Nominations, Governance and CSR Committee, with the assistance of a recruitment firm if necessary	<ul style="list-style-type: none"> Pre-selection by the Chair of the Nomination, Governance and CRS Committee and the Chair of the Board Interview of successful candidates with the other members of the Committee and with the CEO For the selection of a new Chair, the permanent Director representing Société M.B.D is also included in the interview process Committee's recommendation to the Board of Directors 	<ul style="list-style-type: none"> Review by the Board of the selection work carried out by the Nomination, Governance and CSR Committee and its recommendation Deliberation by the Board of Directors and submission to the Shareholders' Meeting
Directors representing a shareholder	Definition by the relevant shareholder of the profile sought for the new director taking into consideration the objectives set by the Board of Directors	Selection of candidates by the relevant shareholder with the assistance of a recruitment firm if necessary	Presentation of selected candidates to the Chair of the Board of Directors, the CEO, and to the members of the Nomination, Governance and CSR Committee	<ul style="list-style-type: none"> Submission of the nomination to the Board of Directors Deliberation by the Board of Directors and submission to the Shareholders' Meeting

4



In accordance with this procedure and in the context of the expiry of Marie-Pauline Chandon-Moët's mandate, the Board of Directors decided to propose, on February 14, 2023, the appointment of Véronique Laury to succeed her, upon the proposal of the BICH Family.

This procedure was also followed in the selection of the new Independent Director to succeed Elizabeth Bastoni. In this respect, the Board of Directors meeting of March 17, 2023, decided, on the recommendation of the Nominations, Governance, and CSR Committee, to propose the nomination of Carole Callebaut Piwnica as Independent Director to replace Elizabeth Bastoni.

These two nominations will be proposed to the General Meeting to be held on May 16, 2023.

Lastly, following the resignation of Inna Kostuk, the selection process for a new Director representing employees is ongoing at the date of this Universal Registration Document and the Group Committee will appoint this director before the Shareholders' Meeting.



4.1.2.5 Independence of Directors

A Director is independent when he or she has no relationship of any kind whatsoever with the Company or the Group's management that might compromise his or her freedom of judgment or be likely to place him or her in a situation of conflict of interest with management, the Company or the Group. The qualification of an Independent Director is evaluated at the time of each appointment in accordance with the criteria and procedures set out in point 10 of the AFEP-MEDEF Corporate Governance Code and explained below in the sections relating to Independent Directors. This qualification is also reviewed annually.

Selection Process for Independent Directors

Independent Directors are selected by the Board of Directors, and appointed by the Shareholders' Meeting pursuant to the process detailed in paragraph 4.1.2.4 above.

In accordance with this procedure and to replace John Glen, interim Non-Executive Chair, the Nominations, Governance, and CSR Committee had initiated a search process in 2021 for a new candidate to fill the position of Independent Director and Chair. The Board of Directors, upon the recommendation of the Nominations, Governance, and CSR Committee, proposed the candidacy of Nikos Koumettis for the position of Independent Director at the Company's Annual Shareholders' Meeting on May 18, 2022, and subsequently approved his appointment as Non-Executive Chair of the Board of Directors.

In accordance with the provision of the AFEP-MEDEF Corporate Governance Code pursuant to which Directors representing employees are not counted for the purpose of calculating the percentage of Independent Directors on the Board of Directors and Committees, the proportion of Independent Directors is:

- 50% on the Board of Directors;
- 75% on the Audit Committee;
- 67% on the Nominations, Governance, and CSR Committee; and
- 100% on the Remuneration Committee.

Conclusions of the annual review by the Nominations, Governance and CSR Committee and the Board of Directors of the criteria for business relationships between the Company and its Directors.

The qualification of Independent Director is discussed annually by the Nominations, Governance and CSR Committee and reviewed annually by the Board of Directors prior to the publication of this Universal Registration Document. In this respect, the Nominations, Governance and CSR Committee has full discretion to examine the suggestions of the Board of Directors and management, and to commission any studies and benchmarks it deems appropriate. The conclusions of the Committee's review are then brought to the attention of the Directors. The Nominations, Governance and CSR Committee, and subsequently the Board of Directors, also analyze the business relationships that may exist between the Group and the companies with which it is associated.

In preparation for the assessment, the Nominations, Governance and CSR Committee, and subsequently the Board of Directors, sent the Directors an independence questionnaire, which was reviewed at the Committee meeting of January 25, 2023. The Committee then examined the situation of each Director in light of the answers provided, about the following objectives:

- determination of the existence of a business relationship (as defined in criterion 3 below);
- where applicable, assessment of the materiality of the relationship in terms of qualitative criteria (history, context and organization of the relationship, respective powers of the parties) and quantitative criteria (materiality of the relationship for the parties).

This analysis confirmed that none of the Independent Directors had a business relationship with Société BIC.

Based on the recommendations of the Nominations, Governance and CSR Committee, the Board of Directors reviewed the classification of Independent Directors at its meeting of February 14, 2023. It based its decision on the independence criteria set out in the AFEP-MEDEF Corporate Governance Code (§ 10) as follows:

Criterion 1	Not an employee or corporate officer within the past 5 years	Not be and not have been within the previous five years: <ul style="list-style-type: none"> • an employee or executive officer of the Company; • an employee, executive officer or Director of an entity consolidated within the Group; • an employee, executive officer or Director of the Company's parent company or a company consolidated within this parent company.
Criterion 2	No cross-directorships	Not be an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Company ^(a) holds a directorship.
Criterion 3	No material business relationships	Not be a customer, supplier, commercial banker, investment banker or consultant: <ul style="list-style-type: none"> • that is significant to the Company or its Group; • or for which the Company or its Group represents a significant portion of its activity. The assessment of the significance or otherwise of the relationship with the Company or its Group must be reviewed by the Board. Any quantitative and qualitative criteria resulting in such an assessment (continuity, economic dependence, exclusivity, etc.) must also be explicitly stated in the annual report.
Criterion 4	No family ties	Not have close family ties with a company officer.
Criterion 5	Not an Auditor	Not have been a company Auditor within the previous five years.
Criterion 6	Period of office not exceeding 12 years	Not have been a company Director for over 12 years. Independent Director status is lost on the date of the 12 th anniversary.
Criterion 7	No remuneration linked to the Company's or Group's performance	A non-executive officer cannot be considered independent if he or she receives variable remuneration in cash or securities or any remuneration linked to the performance of the Company or Group.
Criterion 8	Not representing a major shareholder	Directors representing major shareholders in the Company or its parent company may be considered independent, provided these shareholders do not have control over the Company. Nevertheless, in excess of 10% of the share capital or voting rights, the Board, upon a report from the Nominations Committee, should systematically review independence in the light of the shareholding structure and the existence of a potential conflict of interest.

(a) In office or having held such office within the past five years.

4



Criteria	Nikos Koumettis	Gonzalve Bich	Elizabeth Bastoni	Vincent Bedhome ^(a)	Timothée Bich	M-A. Bich-Dufour	Maëlys Castella	M-P. Chandon-Moët	Jacob (Jake) Schwartz	Candace Matthews	SOCIÉTÉ M.B.D. (E. Bich)
1: Not an employee or corporate officer within the past 5 years	✓		✓		✓		✓	✓	✓	✓	✓
2: No cross-directorships	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
3: No material business relationships	✓		✓		✓	✓	✓	✓	✓	✓	✓
4: No family ties	✓		✓	✓			✓		✓	✓	✓
5: Not an Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6: Period of office not exceeding 12 years		✓	✓	✓	✓	✓	✓		✓	✓	
7: No remuneration linked to the Company's or Group's performance	✓		✓		✓	✓	✓	✓	✓	✓	✓
8: Not representing a major shareholder	✓		✓	✓			✓		✓	✓	

(a) Vincent Bedhome is currently the sole Director representing employees, as the term of office of Inna Kostuk, Director representing employees, ended with her resignation on October 14, 2022. The Group Committee will nominate a new Director representing the employees in the coming months.

Conclusions of the Board of Directors

The Independent Directors have no relationship with the Company, the Group or its management that could compromise the exercise of their freedom of judgment. The AFEP-MEDEF Corporate Governance Code specifies that "the assessment of whether or not a relationship with the company or its group is significant must be discussed by the Board and the criteria used to make this assessment (continuity, economic dependence, exclusivity, etc.) must be explained in the corporate governance report" (§ 10.5.3). The Code requires a specific assessment of the situation of each of the Directors concerned regarding the independence criteria mentioned in Article 10 in order to prevent the risk of conflicts of interest, in particular:

- not having been an executive corporate officer of the Company during the previous five years (§ 10.5.1);
- not be an investment banker, corporate banker or significant advisor to the Company or its Group or for which the Company or its Group represents a significant part of the business (§ 10.5.3);
- not receive variable remuneration in cash or securities or any remuneration linked to the Company's performance (§ 10.6).

Accordingly, and to meet the requirements of the AFEP-MEDEF Corporate Governance Code as to the materiality of the business relationship, the Board of Directors has carried out a quantitative and qualitative analysis in support of the above-mentioned criteria, for each of the Directors.

In accordance with the Company's Internal Regulations, Independent Directors make every effort to maintain this status. However, if a Director considers that he or she can no longer or will soon no longer be also to be considered as independent as per the AFEP-MEDEF Corporate Governance Code, he or she must immediately notify the Chair of the Board of Directors. The Chair will then place this item on the agenda of the next Board of Directors meeting.

Although John Glen's term of office reached 12 years in 2020, and he no longer met one of the independence criteria recommended by the AFEP-MEDEF Corporate Governance Code, the Board of Directors was of the opinion that this was not likely to bias John Glen's judgment nor independence, and that he has been a valuable asset in this transitional period as Chair of the Board. His mandate ended on May, 18, 2022.

4.1.2.6 Directors representing employees

Status of Directors representing the employees

In accordance with Article 10 Bis of the Company's Articles of Association, the Directors representing employees are appointed by the Group Committee for a three-year term.

The Company complies with the provisions of Article L. 225-27-1 of the French Commercial Code, as amended by Law no.2019-486 of May 22, 2019, on the growth and transformation of companies (known as the "Pacte Law"), which requires the appointment of two employee Directors for any Board of Directors which has more than eight members ⁽¹⁾ instead of twelve previously.

With a particular perspective linked to their knowledge of the Company, the Directors representing the employees bring a complementary perspective to the work of the Board of Directors and enrich the quality of the Board's discussions.

At the start of their initial term, they are trained by an outside organization, covering the role and operation of the Board of Directors, the rights and obligations of Directors and their responsibilities. They also follow, if they wish, an induction course designed to improve their knowledge of the Group's organization and activities.

Directors representing employees have the same status, rights, and responsibilities as other Directors. As an exception to the rule set forth in Article 10 of the Company's bylaws, Directors representing employees are not required to own a minimum number of shares.

They receive remuneration as members of the Board of Directors according to the same distribution rules as the other Directors. Their remuneration as employees is not disclosed.

Situation of the Directors representing the employees within Société BIC at the date of publication of this Universal Registration Document

As the number of Directors on the Company's Board of Directors is greater than eight, the appointment of two employee Directors is required. The Group Committee appointed Inna Kostuk as Director representing employees on October 16, 2020, alongside Vincent Bedhome, who was appointed on December 13, 2017 and renewed in 2020, by the same Committee.

Inna Kostuk resigned from her position as Director and employee on October 14, 2022 (acknowledged by the Board of Directors meeting of October 27, 2022). The Group Committee will nominate a new Director representing the employees before the Shareholders' Meeting. As of the date of this Universal Registration Document, Vincent Bedhome is the only Director representing the employees.

4.1.2.7 Succession plan

The Nominations, Governance and CSR Committee, at the initiative of its Chair, annually reviews the succession plans of the Directors and Management. It can thus establish and update the succession plan over different time horizons.

- short term: unforeseen succession (incapacity, resignation, or death);

- medium term: accelerated succession (mismanagement and poor performance);
- long term: planned succession (retirement, expiration of mandate).

The Nominations, Governance and CSR Committee favors close collaboration with Executive Management to ensure the overall consistency of the succession plan and to monitor key positions. To ensure that the succession plan for Senior Management is optimized and that the Company's strategic ambitions are met, a regular assessment of potential candidates, their career paths and their development is carried out.

The Nominations, Governance and CSR Committee works closely with the Board of Directors on this subject and is particularly vigilant in maintaining the confidentiality of this information.

4.1.2.8 Directors' declarations referred to in Annex 1 of European Delegated Regulation n°2019/980

Family relationships between Corporate Officers

Marie-Aimée Bich-Dufour, Marie-Pauline Chandon-Moët, Édouard Bich, Gonzalve Bich and Timothée Bich are related. There are no family ties between the other Corporate Officers of Société BIC.

Absence of conflicts of interest

In the interest of good governance, the Board of Directors has adopted a Title 2 within its Internal Regulations, setting out the rights and obligations of Directors, to which each of them is bound. Article 2.1.3 of the Company's Internal Regulations provides that all Directors must disclose to the Board, in full and in advance, any actual or potential conflict of interest concerning them. In such cases, the Director may not take part in discussions or decision-making on the subject over which they are conflicted.

Directors make an annual declaration regarding the absence of conflicts of interest. In 2021, the prevention of any conflict of interest has been strengthened by the implementation of the practice of a Declaration of Interests among the Directors for any item discussed by the Board.

At the date of preparation of this document and to the Company's knowledge:

- no potential conflicts of interest are identified between the private interests and/or other duties of the members of the Board of Directors or the Executive Committee with respect to the Company;
- there is no arrangement or agreement with any of the major Shareholders, customers, suppliers or any other third party pursuant to which any member of the Board of Directors or Executive Committee would have been appointed as such;
- subject to the following, the members of the Board of Directors and the Executive Committee have not agreed to any restrictions on the transfer, within a certain period, of the Company's securities held by them. It is however specified that SOCIÉTÉ M.B.D., the holding Company of the Bich family holding more than 20% of the capital and voting rights, has entered various collective undertakings to retain at least 12 million BIC shares. The oldest of these undertakings were entered into on December 17, 2003. They include various members of the family concert in order to allow them, if necessary, to benefit from the provisions of article 787 B of

(1) The Director representing the employees is not considered in this calculation.



the French General Tax Code. The following executives are party to all or some of the agreements: Gonzalve Bich and Nikos Koumettis. All the signatories have close personal ties to Gonzalve Bich, with the exception of Nikos Koumettis, and none of them – with the exception of SOCIÉTÉ M.B.D. – holds more than 5% of the share capital or voting rights of the Company.

In addition, Directors undertake to communicate, upon request, to the Chair of the Board or to any other designated person, a complete list of all their mandates (including participation in Committees), and functions, that they hold in France and abroad. All Directors also undertake to communicate any change in their offices and functions (Title 2; 2.1 “Offices and functions” of the Company’s Internal Regulations).

Negative statements concerning members of the Board of Directors and Executive Corporate Officers

To the best of the Company’s knowledge over the past five years:

- no Director or member of the Executive Corporate Officer has been convicted of fraud;
- no Director or member of the Executive Corporate Officer has been party to a bankruptcy, receivership or liquidation or Company being put into administration;
- no Director or Executive Corporate Officer member has been investigated and/or officially sanctioned by statutory or regulatory authorities;
- no Director or member of the Executive Corporate Officer has been disqualified by a court from serving as a member of an administrative, management or supervisory body of an issuer or from involvement in the management or running of an issuer.

Service contracts providing for the granting of benefits

There is no service contract between any Corporate Officer and SOCIÉTÉ BIC or any of its subsidiaries providing for benefits at the end of said contract.

Transactions in the Company’s shares carried out by persons with managerial responsibilities and closely related persons in 2022

Summary of declarations pursuant to Article L. 621-18-2 of the monetary and financial Code ⁽¹⁾:

Declaring	Type and number of trades					Balance of trades involving transfer of ownership over the year
	Purchase	Sale	Exchange	Gift	Other	
Gonzalve Bich, Chief Executive Officer				6 ^(a)		(3,330)
Nikos Koumettis, Chair of the Board	3					10,501

(a) Gift to his children and nephews.

4.1.2.9 Director Training

Each Director has access, at their convenience, to additional training on the Company’s:

- specific characteristics;
- various businesses divisions;
- business sector; and
- social and environmental responsibilities.

In addition, they have access to resources and training provided by several associations of corporate Directors of which the Company is a member, including the IFA, NACD, and ECGI ⁽²⁾.

4.1.2.10 Share ownership

The Company’s Internal Regulations provide that all Directors must be Shareholders and own at least 500 shares. If they do not hold these shares when they take office, they must use the remuneration received under Article L. 225-45 of the French Commercial Code to acquire them.

All Directors or permanent representatives of legal entities who are Directors must register the Company’s shares they hold at the time of their appointment. The same applies to any shares acquired subsequently.

Members of the Executive Committee are also subject to shareholding and retention obligations (see § 4.2.2.3 – Long Term Incentives)

(1) Details available at www.amf-france.org

(2) Institut Français des Administrateurs (IFA), National Association of Corporate Directors (NACD), European Corporate Governance Institute (ECGI).

4.1.3 CHANGES IN THE COMPOSITION OF THE BOARD

4.1.3.1 Changes in the administrative and management bodies up to the date of publication of the Universal Registration Document

	Departure	Appointment	Renewal
Board of Directors	<ul style="list-style-type: none"> Expiration of John Glen's term as Interim Non-Executive Chair – May 18, 2022 Termination of Elizabeth Bastoni's mandate as Interim Lead Independent Director – May 18, 2022 Termination of Inna Kostuk's mandate as a Director representing employees – October 14, 2022 (resignation) 	<ul style="list-style-type: none"> Appointment of Nikos Koumettis as Independent Director, and Chair of the Board – May 18, 2022 	<ul style="list-style-type: none"> Renewal of Gonzalve Bich as Director and Chief Executive Officer – May 18, 2022 Renewal as Directors of: Elizabeth Bastoni and Maëlys Castella – May 18, 2022
Audit Committee			<ul style="list-style-type: none"> Renewal of Maëlys Castella as Chair of the Audit Committee – May 18, 2022
Nominations, Governance and CSR Committee			<ul style="list-style-type: none"> Renewal of Elizabeth Bastoni as Chair of the Nominations, Governance and CSR Committee – May 18, 2022
Remuneration Committee			<ul style="list-style-type: none"> Renewal of: Elizabeth Bastoni as Chair of the Remuneration Committee and Maëlys Castella as member of the Remuneration Committee – May 18, 2022

4

4.1.3.2 Changes in the Board of Directors following the Shareholders' Meeting of May 16, 2023

The terms of office as Directors of Timothée Bich, Marie-Pauline Chandon-Moët, Jacob (Jake) Schwartz and Candace Matthews expire at the Shareholders' Meeting of May 16, 2023.

A proposal will be made at this Shareholders' Meeting to renew the mandates of Candace Matthews, Timothée Bich and Jake Schwartz for a period of three years.

Marie-Pauline Chandon-Moët, who has been a Director since 2003, did not wish to seek renewal of her mandate. To succeed her, the Board of Directors recommended, on February 14, 2023, the appointment of Véronique Laury, upon the proposal of the BICH Family. This nomination will be submitted to the 2023 Shareholders' Meeting.

The Nominations, Governance and CSR Committee and the Board of Directors have examined her profile. In particular, they appreciated Véronique Laury's high-level international career as Chief Executive Officer and Director of several major international companies.

Véronique Laury is 57 years old, a French citizen and a graduate of the *Institut d'Etudes Politiques de Paris*. She started her career

at Leroy Merlin before joining the Kingfisher Group in 2003. She started as Product Director and Sales Director at Castorama France before being appointed Sales Director of Kingfisher Group. From 2014 to 2019, she held the position of Chief Executive Officer of the Kingfisher Group, in London. Since 2020, she is a Director in several international companies' board of directors such as Ikea, British American Tobacco, Wework, Sodexo and Eczacibasi. Her detailed biography will be included in the convening notice to the Shareholders' Meeting.

On February 14, 2023, the Board of Directors also acknowledged Elizabeth Bastoni's decision to step down from her position as Independent Director, Chair of the Remuneration Committee and of the Nominations, Governance and CSR Committee, effective from the next General Shareholders' Meeting, for personal reasons.

Upon recommendation of the Nominations, Governance and CSR Committee, the Board of Directors of March 17, 2023 recommended the nomination of Carole Callebaut Pivnica as an Independent Director. This appointment will be submitted to the General Meeting on May 16, 2023.



Carole Callebaut Piwnica, a citizen of Belgium, is 65 years old. She holds a law degree from the University of Brussels and a Master of Laws degree from New York University. She was a member of the New York and Paris bars. She began her career in New York at Proskauer Rose and joined the M&A department of Shearman & Sterling in Paris. She worked for 15 years in the agri-food processing industry and served as Chairman of the Amylum Group (Belgium) and as director and vice-chairman of Tate and Lyle (UK). She has also been an independent director of several international listed companies including Sanofi (France, pharmaceuticals), Eutelsat (France, satellites), Dairy Crest (UK, milk and cheese), and Aviva (UK, insurance). In 2006, she founded the private equity fund Naxos Capital Partners (Luxembourg), of which she was Managing Partner and was a director of its portfolio companies, including Big Red (US, softdrinks) and Amyris (US, ingredients and beauty). She is currently an independent director on the Supervisory Board of Rothschild & Co. Her detailed biography will be included in the convening notice to the Shareholders' Meeting.

Subject to the approval of the Meeting, and the decisions of the Board, the Board of Directors will be composed as follows:

- Nikos Koumettis – Independent Director and Non-Executive Chair;
- Gonzalve Bich – Director and General Manager;
- Vincent Bedhome – Director representing employees;
- Timothée Bich – Director;
- Marie-Aimée Bich-Dufour – Director;
- Carole Callebaut Piwnica – Director (Independent);
- Maëlys Castella – Director (Independent);
- Véronique Laury – Director;
- Candace Matthews – Director (Independent);

- SOCIÉTÉ M.B.D. (represented by Édouard Bich) – Director;
- Jacob (Jake) Schwartz – Director (Independent); and

It should be noted that the selection process for a new Director representing employees is ongoing at the date of this Universal Registration Document and that the Group Committee will appoint this Director before the Shareholders' Meeting.

Subject to the vote of the Shareholders' Meeting on May 16, 2023, the Board of Directors held on March 17, 2023 has also recommended that Carole Callebaut Piwnica be appointed as Chair of the Remuneration Committee as well as a member of the Nominations, Governance, and CSR Committee. Subject to the same conditions, Candace Matthews would be appointed Chair of the Nominations, Governance, and CSR Committee, in addition to her current position as member of the Audit Committee.


Terms of office expired in year 2022

- John Glen: Director and Non-Executive Chair from May 18, 2021, to May 18, 2022.

Terms of office that ceased during year 2022

- Elizabeth Bastoni: Lead Director from May 18, 2021, to May 18, 2022;
- Inna Kostuk: Director representing employees from May 20, 2020, to October 14, 2022.

4.1.3.3 Offices and responsibilities of the Corporate Officers and Directors as of December 31, 2022

GONZALVE BICH	
Director and Chief Executive Officer	
 <p>Age: 44 years old</p> <p>Nationalities: French/American</p> <p>Independent Director: No</p> <p>Number of BIC shares held: Directly owns over 100,000 BIC shares and shares indirectly through the family holding Company, SOCIÉTÉ M.B.D.</p> <p>On December 31, 2022, SOCIÉTÉ M.B.D. held 12,886,000 shares, i.e. 29.32% of Société BIC's share capital and 39.67% of the voting rights.</p> <p>Basis of the appointment: Article L. 225-18 of the French Commercial Code</p> <p>Date of 1st appointment: Director: Annual Shareholders' Meeting of May 16, 2018, Chief Executive Officer: Board Meeting of May 16, 2018</p> <p>Expiration date: Director: Annual Shareholders' Meeting in 2025 for FY 2024 Chief Executive Officer: term of office as Director</p> <p>Member of a Committee: No</p> <p>Professional address: SOCIÉTÉ BIC – 12 Boulevard Victor Hugo – 92110 Clichy – France</p>	<p>Biography</p> <p>Gonzalve Bich was appointed Director and Chief Executive Officer of SOCIÉTÉ BIC in May 2018. He is the third generation of the Bich family to serve as CEO, and takes pride in continuing the family's 75-year legacy, guided by a clear purpose to bring simplicity and joy to everyday life, responsibly and sustainably.</p> <p>Gonzalve Bich began his career in management consulting at Deloitte and then joined BIC in 2003, starting in Asia, where he developed the regional business for four years. He moved on to serve as Group People Development Director before joining the Shaver category as Group Shaver Marketing Director. From 2008 to 2012, he led the Northern European business.</p> <p>In 2012, he was named Deputy General Manager, responsible for Middle East, Africa, Oceania and Asia Pacific. He was promoted to General Manager, Developing Markets (including Latin America) in July 2013. He took responsibility for BIC Consumer business categories operations in Spring 2016, while leading the completion of the acquisition of Cello (India's #1 Stationery brand). He served as Executive Vice-President from June 2016 to May 2018. He was Chief Operating Officer (COO), responsible for the Group Consumer Products business, Human Resources and Information Technology from January 2017 to May 2018.</p> <p>Gonzalve Bich holds a Bachelor of Arts degree in History from Harvard University.</p> <p>Main position</p> <ul style="list-style-type: none"> Chief Executive Officer – Société BIC <p>Other current positions</p> <p>Group company</p> <ul style="list-style-type: none"> Director – BIC Cello (India) Private Ltd – India President, Chief Operating Officer and director – BIC International Co. – USA <p>Unlisted company</p> <ul style="list-style-type: none"> Chair and Director – Enactus Association – United States Director – Stewardship Foundation – Switzerland Director (International Advisory Board) – EDHEC Business School - France <p>Listed company</p> <ul style="list-style-type: none"> None <p>Former positions in the previous five years (non-BIC Group companies)</p> <p>None</p>

4



NIKOS KOUMETTIS ●

Director



Age: 58 years old

Nationalities: Greek Cypriote

Number of BIC shares held:
10,501 shares

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Director: AGM of May 18, 2022

Chair: Board of Directors of May 18, 2022

Expiration date:
Director: AGM held in 2025 to approve the financial statements for the year 2024
Chair: term of office as Director

Member of a Committee: No

Professional address:
SOCIÉTÉ BIC – 12 Boulevard Victor Hugo – 92110 Clichy – France

Biography

Nikos Koumettis is President, Europe Operating Unit at the Coca-Cola Company and a member of the company's Executive Leadership Team.

He brings over 30 years of valuable experience in the consumer goods industry and knowledge of governance topics.

Nikos joined the Coca-Cola Company in 2001 and held several operating responsibilities in Europe and the Middle East and Africa until 2020, when he was appointed to his current position.

Prior to the Coca-Cola Company, he served in various recognized international companies, including Kraft Jacobs Suchard, Elgeka, and Philip Morris.

Nikos Koumettis has served as a member of the Canada Goose International Advisory Board since 2016. He is a member of the Board of Trustees of the American College of Greece.

As of March 2022, he also serves as a member of the FEMSA Board, the Coca-Cola Company's bottler in Latin America. He previously served as Director of Coca-Cola Beverages Africa until April 2022.

Main position

- President Europe of the Coca-Cola Company

Other current positions**Unlisted company:**

- Director – Canada Goose International Board
- Director – Coca-Cola Beverages Africa
- Member of the Board of Directors of the American College of Greece

Listed company:

- Director – Coca-Cola FEMSA, SAB de CV

Former positions in the previous five years (non-BIC Group companies)**Unlisted company:**

- Director – Canada Goose
- CCBA – Chair of the Nominations and Remuneration Committee – Coca-Cola Beverages Africa
- Director – ACG

Listed company:

- None

● Independent Director

ELIZABETH BASTONI ●

Director



Age: 57 years old

Nationality: American

Number of BIC shares held:
500

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 15, 2013

Expiration date:
Annual Shareholders' Meeting in 2025, for FY 2024

Member of a Committee:
Chair of the Remuneration Committee
Chair of the Nominations, Governance and CSR Committee

Professional address:
SOCIÉTÉ BIC – 12 Boulevard Victor Hugo – 92110 Clichy – France

Biography

Elizabeth Bastoni has over 20 years' experience as an Executive and as a Director on Boards in Europe and the United States. She specializes in establishing governance boundaries, enabling strategy development, managing succession and leading effective oversight.

An experienced Board Chair and former Chief Human Resources Officer (CHRO) Elizabeth Bastoni has a history of working successfully across the consumer goods, tech, retail and hospitality industries. She combines her board and executive experience to create value at the intersection of business and people strategy.

Before joining BIC, she served on the boards and chaired the Remuneration Committee of The Rezidor Hotel (Stockholm) Group and CarlsonWagonlit Travel (Paris). As an Executive, Elizabeth held C-Suite roles in HR and Communications, in France and the United States with BMGI and Carlson.

Earlier in her career she held global leadership positions with The Coca-Cola Company and Thales. Elizabeth began her career at the International Tax Practice in KPMG in Europe.

Elizabeth Bastoni became an Independent Director of SOCIÉTÉ BIC in 2013. She is Chair of the Remuneration Committee and of the Nominations, Governance and CSR Committee.

Elizabeth Bastoni has a Bachelor of Arts from Providence College in Providence, Rhode Island (United States). She studied French at the Alliance Française (Paris) and French history and culture at La Sorbonne (Paris). She is a former student of L'École du Louvre.

Main position

- Chair of the Board of Directors and Chair of the Nominations and Remuneration Committee – Limeade Inc. – United States (Listed company)

Other current positions

Unlisted company:

- President of Bastoni Consulting Group, LLC – United States

Listed company:

- Member of the Audit Committee – Jerónimo Martins – Portugal
- Member of Audit and Nominations Committees – Euroapi SA – France

Former positions in the previous five years (non-BIC Group companies)

Unlisted company:

- President of the National Association of Corporate Directors – Seattle Chapter – United States

Listed company:

- Chair, Remuneration Committee – Jerónimo Martins – Portugal

4

● Independent Director



VINCENT BEDHOME

Director representing employees



Age: 57 years old

Nationality: French

Number of BIC shares held:
150

Independent Director: No

Basis of the appointment:
Article L. 225-27-1 of the French Commercial Code

Date of 1st appointment:
Board Meeting of December 13, 2017
(appointed by the Group Works Council on November 9, 2017)

Expiration date:
November 9, 2023

Member of a Committee: Remuneration Committee

Professional address:
BIC Conté – Rue de Carly, ZAC de la Plaine de la Ruelle -62830 Samer – France

Biography

A Group employee since 1989, Vincent Bedhome has been a Project Manager in the Stationery category since 2003.

He previously held various positions at the BIC plant in Boulogne-sur-Mer, including R&D engineer, Industrial Project Manager and Production Manager.

Vincent Bedhome has a chemical engineering degree from HEI Lille (France) and a PhD in Spectrochemistry from the University of Lille (France).

Main position

- Project Manager in the Stationery category

Other current positions

- None

Former positions in the previous five years (non-BIC Group companies)

- None

TIMOTHÉE BICH**Director**

Age: 37 years old

Nationality: French

Number of BIC shares held:

Directly owns over 100,000 BIC shares and shares indirectly through the family holding Company, SOCIÉTÉ M.B.D.

On December 31, 2022, SOCIÉTÉ M.B.D. held 12,886,000 shares, i.e. 29.32% of Société BIC's share capital and 39.67% of the voting rights.

Independent Director: No

Basis of the appointment:

Article L. 225-18 of the French Commercial Code

Date of 1st appointment:

Board Meeting of December 10, 2019

Expiration date:

Annual Shareholders' Meeting in 2023, for FY 2022

Member of a Committee: No

Professional address:

SOCIÉTÉ BIC - 12 Boulevard Victor Hugo - 92110 Clichy - France

Biography

Timothée Bich is a trader at Moore Europe Capital Management since 2020, part a team of macro portfolio managers.

From 2012 to 2019, Timothée Bich held various roles, including execution trader, Head of Execution and portfolio manager at Stone Milliner. Before joining Stone Milliner, he worked as an analyst at Moore Europe Capital Management, supporting credit and macro portfolio managers (2010-2011).

Timothée Bich holds a Master of Science in Risk and Asset Management from EDHEC and a degree in Finance from University Paris Dauphine.

Main position

- Analyst - Moore Europe Capital Management

Other current positions

- None

Former positions in the previous five years (non-BIC Group companies)

- Portfolio manager at Stone Milliner



MARIE-AIMÉE BICH-DUFOUR

Director



Age: 64 years old

Nationality: French

Number of BIC shares held:

Number of BIC shares held: Directly owns over 100,000 BIC shares and shares indirectly through the family holding Company, SOCIÉTÉ M.B.D.

On December 31, 2022, SOCIÉTÉ M.B.D. held 12,886,000 shares, i.e. 29.32% of Société BIC's share capital and 39.67% of the voting rights.

Independent Director: No

Basis of the appointment:

Article L. 225-18 of the French Commercial Code

Date of 1st appointment:

Annual Shareholders' Meeting of May 22, 2019

Expiration date:

Annual Shareholders' Meeting in 2024, for FY 2023

Member of a Committee: Nominations, Governance and CSR Committee

Professional address:

SOCIÉTÉ BIC – 12 Boulevard Victor Hugo – 92110 Clichy – France

Biography

Marie-Aimée Bich-Dufour was Delegate for general affairs and President of the BIC Corporate Foundation for Education until she retired on October 1, 2020.

From March 22, 1995 to March 31, 2019, she was Executive Vice-President of SOCIÉTÉ BIC and Secretary to the Board of Directors.

She was Group General Counsel until February 1, 2016.

She was responsible for BIC's Sustainable Development program between 2004 and 2018.

Before joining BIC Group, Marie-Aimée served at the Paris bar for 12 years.

She holds a Master's degree in Private Law from Paris Panthéon-Assas University and a Professional Lawyer's Certificate (CAPA).

Main position

- Director – SOCIÉTÉ BIC

Other current positions

- Representative of SOCIÉTÉ BIC on the Board – ANSA (Association Nationale des Sociétés par Actions) – France
- Representative of SOCIÉTÉ BIC on the Board – METI (Mouvement des Entreprises de Taille Intermédiaire) – France

Former positions in the previous five years (non-BIC Group companies)

- None

MAËLYS CASTELLA ●

Director



Age: 56 years old

Nationality: French

Number of BIC shares held: 500

Independent Director: Yes

Basis of the appointment:

Article L. 225-18 of the French Commercial Code

Date of 1st appointment:

Annual Shareholders' Meeting of May 22, 2019

Expiration date:

Annual Shareholders' Meeting in 2025, for FY 2024

Member of a Committee: Chair of the Audit Committee, member of the Remuneration Committee

Professional address:

Delistraat 67, 2585VX Den Haag, The Netherlands

Biography

Maëlys Castella is an experienced finance and business leader with a strong track record in B2B and B2C businesses. This is both in C-level executive and non-executive roles.

She has expertise in finance, strategy, marketing, innovation and sustainability and has been working for international listed companies since 1992.

She is the founder and CEO of a consulting firm Aminona Consulting specializing in finance, strategy and executive coaching.

She is also an independent Board member, chair of the Audit Committee and Sustainability Committee of C&A, a leading global fashion retail business.

She began her career in the oil and gas industry working in finance for Elf, now part of Total Group, for 8 years.

In 2000, Maëlys Castella joined Air Liquide and held various Senior Management positions in Finance and Marketing before being appointed Group Deputy Chief Financial Officer in 2013. She later became Chief Financial Officer and member of the Board of Management of AkzoNobel from 2014 until 2017. She was subsequently Chief Corporate Development Officer and Member of the Executive Committee from 2018 until 2019.

Maëlys Castella is a graduate of École Centrale de Paris and holds a Master's degree in Energy Management and Policy from the University of Pennsylvania (United States) and the French Institute of Petroleum (IFP).

Main position

- CEO and Director – Aminona Consulting - Netherlands (non-listed company)

Other current positions

Unlisted company:

- Independent Director, Chair of the Audit Committee and member of the Sustainability Committee – C&A - Germany

Listed company:

- None

Former positions in the previous five years (non-BIC Group companies)

Unlisted company:

- Director – AkzoNobel Art Foundation – Netherlands

Listed company:

- Chief Corporate Development Officer, Member of the Executive Committee – AkzoNobel – Netherlands

4

● Independent Director.



MARIE-PAULINE CHANDON-MOËT (MAIDEN NAME: BICH)**Director**

Age: 56 years old

Nationality: French

Number of BIC shares held:

Directly owns over 100,000 BIC shares and shares indirectly through the family holding Company, SOCIÉTÉ M.B.D.

On December 31, 2022, SOCIÉTÉ M.B.D. held 12,886,000 shares, i.e. 29.32% of Société BIC's share capital and 39.67% of the voting rights.

Independent Director: No

Basis of the appointment:

Article L. 225-18 of the French Commercial Code

Date of 1st appointment:

Annual Shareholders' Meeting of May 28, 2003

Expiration date:

Annual Shareholders' Meeting in 2023 for FY 2022

Member of a Committee: No

Professional address:

SOCIÉTÉ BIC – 12 Boulevard Victor Hugo – 92110 Clichy – France

Biography

Marie-Pauline Chandon-Moët has been on the Board of SOCIÉTÉ BIC since May 28, 2003.

She was European Real Estate Projects Manager for BIC Group until December 31, 2010.

Before this, she worked in a series of positions from 1991 on:

- Sales Administration Assistant,
- Sales Administration Manager (France then Europe), and
- Supply Chain Manager for Europe.

Marie-Pauline Chandon-Moët has a Bachelor of Science degree from Northeastern University in Boston (United States).

Main position

- President – Château de Ferrand SAS – France

Other current positions

Unlisted company:

- Member and treasurer of the office of the Academy of Bordeaux Wines - France
- Member of the Supervisory Board – iDealwine SA - France

Listed company:

- None

Former positions in the previous five years (non-BIC Group companies)

Unlisted company:

- Member of the Supervisory Board – SOCIÉTÉ M.B.D. – France

Listed company:

- None

CANDACE MATTHEWS ●

Director



Age: 64 years old

Nationality: American

Number of BIC shares held:
500

Independent Director: Yes

Basis of the appointment:
Article L. 225-18 of the French Commercial Code

Date of 1st appointment:
Annual Shareholders' Meeting of May 10, 2017

Expiration date:
Annual Shareholders' Meeting in 2023 for FY 2022

Member of a Committee: Audit Committee
Nominations, Governance and CSR Committee

Professional address:
700 Kovi Oaks Ct NE,
Ada MI 49301 – United States

Biography

Candace Matthews was Chief Reputation Officer of Amway. From November 2014 to May 2020, Candace Matthews was Region President, The Americas, at Amway. She was hired by Alticor, the parent company of Amway, in December 2007, as Global Chief Marketing Officer.

Prior to joining Amway, she was President of Soft Sheen-Carson, the Consumer Products Division of L'Oreal from 2001 to 2007.

Before that, she held positions in Marketing at General Mills, Procter & Gamble, Bausch & Lomb and in Management at Novartis and The Coca-Cola Company, in the United States.

Candace Matthews has a Bachelor of Science degree in Metallurgical Engineering from Carnegie Mellon University in Pittsburgh, Pennsylvania (United States). She also has an MBA in Marketing from Stanford University Graduate School of Business in Palo Alto, California (United States).

Main position

- Director

Other current positions**Unlisted company:**

- Regional Director – Fifth Third Bank, Western Michigan – United States

Listed company:

- Director – Aptar Group - United States
- Director – MillerKnoll. – United States.

Former positions in the previous five years (non-BIC Group companies)**Unlisted company:**

- Chief Reputation Officer – Amway – United States
- Region President, The Americas – Amway – United States

Listed company:

- Director – Popeyes Louisiana Kitchen Inc. – United States

4

● Independent Director.



SOCIÉTÉ M.B.D.

Director

**Biography**

Édouard Bich spent eight years in the Finance Department of Procter & Gamble – France and holds an MBA in Finance from The Wharton School (United States).

Main position

- Managing Director of SOCIÉTÉ M.B.D.

Other current positions**Unlisted company:**

- Member of the Supervisory Committee – Stockage Plus SAS – France
- Manager – Platypus Capital SPRL – Belgium

Listed company:

- None

Former positions in the previous five years (non-BIC Group companies)**Unlisted company:**

- Member of the Supervisory Board – Digital Fashion Group SAS – France
- Member of the Executive Board for Europe, the Middle East and Africa – The Wharton School – USA
- Member of the Strategic Committee – UnifAI SAS – France

Listed company:

- None

Former positions in the previous five years (non-BIC Group companies)

- None

Type of legal entity: Partnership limited by shares (*société en commandite par actions*)

Registration: 389 818 832 – Nanterre (France) Trade and Companies Register

Number of BIC shares held:

12,886,000 shares, i.e. 29,32% of Société BIC's share capital and 39.67% of the voting rights (as of December 31, 2022).

Basis of the appointment: Article L. 225-18 of the French Commercial Code

Independent Director: No

Date of 1st appointment: Annual Shareholders' Meeting of May 24, 2006

Expiration date: Annual Shareholders' Meeting in 2024, for FY2023

Member of a Committee: Audit Committee

Address: 1 place Paul Verlaine - 92100 Boulogne-Billancourt – France

Permanent representative: Édouard BICH

Age: 58 years old

Nationality: French

Professional address: SOCIÉTÉ M.B.D. – 1 place Paul Verlaine – 92100 Boulogne-Billancourt – France

JACOB SCHWARTZ ●**Director****Age:** 43 years old**Nationality:** American**Number of BIC shares held:** 500**Independent Director:** Yes**Basis of the appointment:** Article L. 225-18 of the French Commercial Code**Date of 1st appointment:** Annual Shareholders' Meeting of May 20, 2020**Expiration date:** Annual Shareholders' Meeting in 2023 for FY 2022**Member of a Committee:** Audit Committee**Professional address:** Société BIC –
12 Boulevard Victor Hugo –
92110 Clichy – France**Biography**

Jacob (Jake) Schwartz is a serial entrepreneur, investor and advisor. Until 2020, Jake Schwartz served at CEO of General Assembly (GA), the global leader in education and career transformation, which he co-founded in 2011. He grew GA to over 1,000 employees on five continents. In 2018, GA was acquired by The Adecco Group.

Jake Schwartz co-founded and serves as Chair of Brave Health, a mission-driven company focused on expanding access to high-quality, affordable care for mental health and addiction.

Jake Schwartz was named E&Y Entrepreneur of the Year in 2014 and one of Crain's "40 under 40" in 2015. Jake holds a BA from Yale and an MBA from The Wharton School of Business at the University of Pennsylvania. He is a former CFA Charterholder.

Main position

- Co-founder – Brave Health

Other current positions**Unlisted company:**

- Chair of the Board of Directors – Brave Health – USA

Listed company:

- None

Former positions in the previous five years (non-BIC Group companies)

- CEO – General Assembly (GA)

● Independent Director.

4.1.4 OPERATION OF THE BOARD OF DIRECTORS

The operation terms of the Board of Directors are determined by the legal and regulatory provisions, by the Articles of Association updated on December 23, 2022, and by its Internal Regulations⁽¹⁾, last amended by the Board of Directors at its meeting of March 17, 2023. The Internal Regulations of the Board also set out the applicable requirements in terms of diligence, confidentiality, and disclosure of potential conflicts of interest.

4.1.4.1 Relationships between the Board and General Management

Board of Directors: missions and powers

The Board of Directors lays down the guiding principles governing the Company's business activities and ensures they are implemented in the best interests of the Company and its shareholders, taking into account the social and environmental challenges facing its business. It deals with all matters relating to the proper conduct of the Company's business and makes all relevant non-operational decisions.

The Board of Directors gives its opinion on matters that can have a significant impact on the Group's development, strategy or operations. Its strategy and actions are in line with the Company's sustainable development. To facilitate its understanding of strategic issues, the Board of Directors receives detailed information on the Group's activities and results at each meeting. Throughout the year, it receives information on the Group's financial performance, its stock market and financial situation, its products and its competitive environment.

The very regular presence of the main Group executives allows the Directors to benefit from any additional information required, as well as precise and concrete answers to questions that may arise during discussions. The responsibilities of the Board of Directors are as follows:

- agree the "vision and strategic direction" as articulated and elaborated by the Chief Executive Officer and the executive team;
- define the Company's business perimeter and appetite for risk;
- select and perform evaluation of the Chair, all Board members, the Chief Executive Officer, and Executive Vice-President;
- plan the succession for all Board members, including the Chair, the Chief Executive Officer and the Executive Vice-President;
- implement the proper governance structure and ensure its ethical operation;

(1) The Board's Internal Regulations are included on the Company's website (<https://investors.bic.com/fr-fr/reginfo>).



- evaluate, challenge, and approve both long-term strategy and annual plans put forward by the Chief Executive Officer and his/her management team and monitor relating performance;
- ensure that the strategic plan is consistent with the Values and DNA of the Company, and aligned with the interests of Shareholders and other stakeholders;
- measure and monitor implementation of the strategy;
- long term planning of the necessary human resources, focusing on Senior Management;
- ensure that the strategic plan is thoroughly encompassing a study of the macro economic trends, the competitive landscape, possible acquisition targets, SWOT analyses of BIC and its main competitors, financial plans including ROI's and cash generation, industrial footprint, capacity plans, new technologies and retroactive analysis;
- ensure that the key risks to which the Company is exposed are in keeping with its strategies and objectives;
- establish margin parameters to the CEO, and total shareholder return parameters;
- ensure adequate resources have been arranged for successful business operations.

The Board endeavors to promote long-term value creation by the Company taking into account the social and environmental aspects of its activities. Where applicable, it proposes any changes to bylaws it considers appropriate.

The Board regularly reviews the strategy along with opportunities and risks, including financial, legal, operational, social and environmental risks, as well as the mitigation plans put in place. To this end, the Board of Directors receives all the information needed to carry out its work, notably from the executive officers.

It ensures that appropriate measures are put in place to prevent and detect corruption and influence peddling. It receives all the information needed for this purpose. It also ensures that the executive officers implement a policy of non-discrimination and diversity, particularly with regard to gender balance on the governing bodies.

Chair of the Board

In accordance with Article L. 225-51 of the French Commercial Code, the Chair is responsible for organizing and directing the work of the Board, on which s/he reports to the Shareholders' Meeting. S/he ensures the proper functioning of the Company's bodies and that the Directors are able to fulfill their duties, in particular that the body devotes sufficient time to discussions and to respecting the agenda. S/he ensures that each of the items on the agenda is given time commensurate with the importance for the Company.

The Chair aims to maintain a close and trusting relationship with the Chief Executive Officer and the Executive Management and to provide the team with assistance and advice while respecting their executive responsibilities. The Chair's schedule is organized to ensure the Chair's availability and make best use of his/her experience for the Group.

S/he chairs the meetings of the Board and prepares its work. In this capacity, s/he:

- convenes meetings of the Board according to a schedule of meetings communicated to the Board in advance and at any other time if necessary;
- prepares the agenda in coordination with the Chief Executive Officer, supervises the preparation of the Board documentation and ensures the completeness of the information contained therein;
- ensures that certain topics are discussed by the Committees in preparation for Board Meetings, and ensures that they are able to make proposals to the Board;
- leads and directs the Board's discussions;
- ensures that Directors comply with the provisions of the Board's Internal Regulations.

The Chair ensures the proper organization of the Shareholders' Meetings s/he chairs, answers questions from Shareholders and, more generally, maintains good relations with them.

Chief Executive Officer and limitations on the powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of the Company, and to represent it in its dealings with third parties.

S/he exercises his/her powers within the limitations of the corporate purpose. This is also subject to any powers expressly attributed by law to the Shareholders' General Meeting and Board of Directors.

The Internal Regulations specify the types of transactions that must be subject to prior authorization by the Board of Directors at all times:

- transactions outside SOCIÉTÉ BIC's stated strategy;
- decisions to set up French or foreign operations involving the creation of an establishment, direct or indirect subsidiary, the acquisition of a holding, as well as any decisions to discontinue such operations, where the amount in question exceeds 50 million euros;
- internal reorganization where the cost of such an operation exceeds 50 million euros.

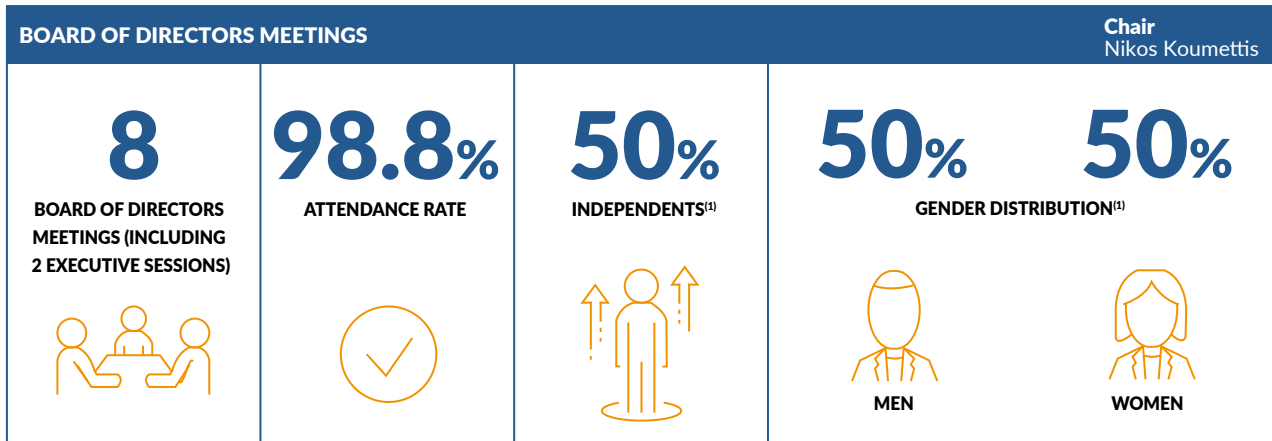
The Internal Regulations specify that these rules apply not only to external acquisitions or disposals, but also to major internal investments or restructuring.

Relations between the Board of Directors and Executive Management

Executive Management communicates transparently with the Directors and keeps them regularly informed of the Company's management and performance. It also regularly informs the Chair of the Board of Directors of significant events in the life of the Group.



4.1.4.2 Organization and work



(1) Excluding the Director representing employees.

The Chair is in charge of convening, in writing, meetings of the Board of Directors, either at regular intervals or at times he deems appropriate. Pursuant to the Internal Regulations, the Board must meet at least six times a year, and whenever the Group's business requires it, so as to be able to examine and thoroughly discuss the issues falling within the scope of its responsibilities. In particular, the Chair is responsible for convening meetings of the Board of Directors to approve the half-year and annual financial statements and to convene the General Meeting of Shareholders for approval.

The Board of Directors meets when convened by its Chair. The notice of meeting, sent to the Directors at least eight days before the date of the meeting, except in cases of justified urgency, sets the agenda and the place of the meeting, which is in principle the Company's registered office. Meetings of the Board of Directors may also be held by videoconference and telecommunication as per applicable legislations and the Internal Regulations.

The Board's usual tasks include preparing the financial statements, reviewing quarterly results, approving the annual budget, approving the remuneration of Directors, etc.

Issues addressed by the Board of Directors in 2022

In addition to these tasks, the Board also carried out the following work:

- **Financial Management and Results of the Company:**

- review and approval of the 2021 annual financial statements and review of related press release;
- review and approval of the half-year and quarterly consolidated 2022 financial statements, and review of related press releases;
- discuss the Group's business operations, in particular its budget, results and cash flows;
- proposal of the allocation of results and choice of dividend allocation;
- review of the 2022 operating plan and rolling forecast and preliminary review of the 2023 operating plan;
- monitoring of the Group's M&A strategy;

- review of the financial guarantees granted by the Company to its subsidiaries;
- review of the work of the Audit Committee and related recommendations;
- review of the share buybacks program (including the share buybacks program concluded with Exane) and related share capital decrease cancellations.
- **Remuneration:**
 - review of the work of the Remuneration Committee and related recommendations;
 - analysis of the remuneration of corporate officers;
 - determination of remuneration principles for fiscal year 2022.
- **Governance:**
 - review of the work of the Nominations, Governance and CSR Committee and related recommendations;
 - review of the composition of the Board of Directors with respect to the recommendations of the AFEP-MEDEF Corporate Governance Code, notably with regards to the diversity of the profiles and experience, in the context of the appointment of a new Chair of the Board of Directors and Independent Director;
 - renewal of the Chair of the Audit Committee, the Nominations, Governance and CSR Committee, and the Remuneration Committee;
 - internal assessment of the composition and performance of the Board of Directors and implementation of the resulting actions;
 - review of the work of the consulting firm that carried out the three-year evaluation of the performance of the Board of Directors;
 - preparation of the 2022 Shareholders' Meeting;
 - review of regulated agreements;
 - review of Independents Directors' qualifications.

4



- **Risk management and compliance:**

- review of compliance with the Sapin II law on transparency, the fight against corruption and the modernization of economic life;
- monitoring of the Group's strategy and progress in cybersecurity;
- presentation of the risk management procedure;
- determination of negative windows (blackout periods) for the year 2023.

- **Strategy and development of the Company:**

- update on the Group's shareholding;
- feedback from the markets following the publication of the results;
- results of the last survey conducted among the Group's employees to assess their engagement;
- discuss the main strategic orientations for the Group's development, both in terms of external growth and financing;
- information about changes in the competitive environment;
- presentation of the 2023 roadmap of the Group's *Horizon* plan, which pursues the Company's development in adjacent markets to ensure long-term sustainable and profitable growth;
- update on the development of the "Flame for Life" product category, resulting from the Group's *Horizon* strategic plan, focused on innovation and environmental performance, thus strengthening the Group's competitiveness in lighters;

- review of our innovation strategy in the "Human Expression" and "Blade Excellence" categories;
- review of the Group's situation in Ukraine and Russia (Employees, customers, impacts on other stakeholders, etc.).

Executive sessions

At least once a year, an informal meeting is organized by the Board of Directors without the presence of the Executive Corporate Officers. The Board of Directors considers that these meetings are part of good governance, particularly in that they provide an opportunity to assess the performance of the Chief Executive Officer and the Chair of the Board of Directors. As these meetings are informal, no minutes are kept.

Two meetings were held in 2022, dealing with, among other things, the functioning of the Board, the Board's participation in strategy development, and the performance of the Chief Executive Officer.

Attendance

The preparation and holding of meetings of the Board of Directors and its Committees require a high level of availability and investment by the Directors. In 2022, the Board of Directors met eight times for meetings lasting an average of 4 hours and 40 minutes. The attendance rate at these meetings was 98.8%.

Five meetings were held in person, notably at the Company's headquarter, and three others were held by video conference.

ATTENDANCE OF BOARD MEMBERS AT BOARD MEETINGS

	Board of Directors attendance	Nature of the shareholding	
		Physical attendance	Video conference
Gonzalve Bich	100%	5/8	3/8
John Glen (Until May 18, 2022)	100%	2/3	1/3
Nikos Koumettis (Starting May 18, 2022)	100%	4/5	1/5
Elizabeth Bastoni	100%	5/8	3/8
Vincent Bedhome	100%	5/8	3/8
Inna Kostuk (Until October 14, 2022)	100%	3/6	3/6
Jacob (Jake) Schwartz	100%	2/8	6/8
Timothée Bich	100%	4/8	4/8
Marie-Aimée Bich-Dufour	100%	5/8	3/8
Maëlys Castella	100%	5/8	3/8
Marie-Pauline Chandon-Moët	87.5%	5/8	2/8
Candace Matthews	100%	2/8	6/8
SOCIÉTÉ M.B.D. (Édouard Bich)	100%	5/8	3/8

ATTENDANCE OF BOARD MEMBERS AT COMMITTEE MEETINGS

	Audit Committee attendance	Remuneration Committee attendance	Nominations, Governance, and CSR Committee attendance
Gonzalve Bich	n/a	n/a	n/a
John Glen (Until May 18, 2022)	n/a	n/a	n/a
Nikos Koumettis (Starting May 18, 2022)	n/a	n/a	n/a
Elizabeth Bastoni	n/a	100%	100%
Vincent Bedhome	n/a	100%	n/a
Inna Kostuk (Until October 14, 2022)	n/a	n/a	n/a
Jacob (Jake) Schwartz	100%	n/a	n/a
Timothée Bich	n/a	n/a	n/a
Marie-Aimée Bich-Dufour	n/a	n/a	100%
Maëlys Castella	100%	100%	n/a
Marie-Pauline Chandon-Moët	n/a	n/a	n/a
Candace Matthews	83.3%	n/a	83.3%
SOCIÉTÉ M.B.D. (Édouard Bich)	100%	n/a	n/a

n/a: not applicable.

Information of the Board of Directors

To fulfill its responsibilities, the Board of Directors must have complete, accurate, and timely information. This information must cover the performance of each of the businesses, as well as the Company's financial and cash position. In this respect, the Internal Regulations provide that the Board of Directors must be informed of the Company's financial situation, cash position, and off-balance sheet commitments on December 31 and June 30 of each year. They also provide that each Director has a duty to actively look for information and to ensure that he/she receives sufficient and relevant information in good time.

The Secretary of the Board of Directors provides secretarial services to the Board, prepares files for the Board's attention, and drafts the minutes of its meetings. She ensures the communication of information between the Board of Directors, the Executive Committee, and the management.

Procedure for assessing current agreements

In accordance with Article L. 22-10-12 of the French Commercial Code and AMF recommendation DOC-2012-05, the Company applies a procedure to periodically assess whether ordinary agreements entered into on standard market terms fulfill the conditions for classification as such. This procedure was adopted by the Board of Directors on December 8, 2020. The procedure provides that the Legal Department must be informed of the signing, amendment, or renewal of these "unrestricted" agreements.

Once per year, the Legal Department provides the Audit Committee with a list and description of any new unrestricted agreement. The Audit Committee subsequently assesses these unrestricted agreements and may, as part of this review, seek the opinion of the Statutory Auditors in the event of doubt. Following this review, the Audit Committee must issue a report to the Board of Directors on the unrestricted agreements signed during the fiscal year. The Board of Directors must conduct an annual review of the criteria used to classify unrestricted agreements to assess their relevance.

4.1.4.3 Committees of the Board of Directors

The Board of Directors benefits from the preparatory work carried out by its three specialized committees:






- the Audit Committee;
- the Remuneration Committee;
- the Nominations, Governance and CSR Committee.

The Committees act strictly within the framework of the missions assigned to them by the Board. They actively prepare its work and make proposals but have no decision-making powers. In carrying out their duties, the Committees may contact the Company's main executives after informing the Chair of the Board of Directors. They must also report to the Board.

The Committees may request external technical studies on subjects within their competence, at the Company's expense, after informing the Chair of the Board of Directors or the Board of Directors itself. They must also report their findings to the Board.



a) Audit Committee

AUDIT COMMITTEE					Chair Maëlys Castella
6 MEETINGS 	95.8% ATTENDANCE RATE 	2 MEN 	2 WOMEN 	75% INDEPENDENTS 	

Composition For the Financial Year 2022, the members of Audit Committee were :**Chair:**

- Maëlys Castella – (Independent Director);

Members:

- Candace Matthews – (Independent Director);
- Édouard Bich – (permanent representative of SOCIÉTÉ M.B.D.);
- Jacob (Jake) Schwartz – (Independent Director).

The profile of these Directors is detailed in section 4.1.3.3 of this document.

The number of Independent Directors is three out of four, or 75%. The Committee must not include any executives.

Members must have accounting, and/or auditing expertise, and/or business financial knowledge. The background of the members of the Audit Committee provides them with the financial and accounting skills necessary to fulfill their responsibilities.

The Committee met six times during the financial year, with an attendance rate of 95.8%.**Main remit**

The Audit Committee's primary mission is to ensure that the accounting principles applied to the Company's consolidated and statutory financial statements comply with current standards and are consistently applied. It is also tasked with ensuring that the internal consolidation procedures and controls yield financial statements that fairly represent business results.

The Audit Committee's review of the financial statements is accompanied by a presentation from the Statutory Auditors on their audit reports and the accounting methods chosen. Furthermore, the Chief Financial Officer presents to the Committee on:

- the Company's risks and significant off-balance sheet items; and
- a review of the valuations and principles of on-balance sheet items which are based on market and economic valuations of the Company.

The Audit Committee reviews the draft financial market communications and provides input and advice. It is responsible for:

- giving its opinion on the appointment of Statutory Auditors; and
- attesting to the quality of the Auditors' work and their independence. This includes verifying there is no potential conflict of interest between the Auditors and the Company.

It interviews the Statutory Auditors, and the people responsible for Finance, Accounting, Treasury, Internal Control & Audit, and Enterprise Risk Management. These interviews can be held, if the Committee so wishes, without the Company's executive management in attendance. Furthermore, the Chair of the Audit Committee meets (alone) with the Statutory Auditors at least once a year.

Key work in 2022

In 2022, the Audit Committee met six times in the presence of its Chair and all its members (i.e., 95.8% attendance rate). Representatives of the two statutory audit firms were also present at the review of the Group's results. As far as possible, Audit Committee meetings to review the annual, half-year, and quarterly financial statements are held several days before the Board's review. This allows management to take into account any input from the Audit Committee before the Board meeting. The Audit Committee also reviews the related financial communication.

The Audit Committee regularly monitors the provisions and requirements of new accounting and financial rules applying to the Group, as well as the action plans put in place by the Company to meet these requirements. The Audit Committee also reviews any changes:

- to IFRS;
- to the internal control structure; and
- any other financial reporting matters, including the Universal Registration Document.






In 2022, the work of the Audit Committee also covered:

- the results of internal control and audit assignments;
- the Group's insurance coverage and its costs;
- the work of the Statutory Auditors and the handover in the context of the change of Statutory Auditor to take place in 2023;
- the review of potential acquisitions (which includes an in-depth analysis of certain M&A projects) and the postmortem of closed transactions;
- the monitoring of exchange rate and inflation issues;
- the monitoring of the share buyback program;
- the review of Enterprise Risk Management for the Group;
- the review of the Finance organization;
- the monitoring of business development of the Group.

In February 2023, the Audit Committee reviewed the 2022 financial statements (statutory and consolidated) and notes to the financial statements. These documents included a presentation and review of risks, including those of a social and environmental nature, and of the Company's off-balance sheet commitments.



b) Remuneration Committee

REMUNERATION COMMITTEE				Chair Elizabeth Bastoni
4 MEETINGS 	100% ATTENDANCE RATE 	1 MEN 	2 WOMEN 	100% INDEPENDENTS ⁽¹⁾ 

(1) Excluding the Director representing employees.

Composition For the Financial Year 2022, the members of the Remuneration Committee were:

Chair:

- Elizabeth Bastoni (Independent Director);

Members:

- Maëlys Castella (Independent Director);
- Vincent Bedhome (Director representing the employees).

The Committee is considered to be composed of 100% Independent Directors as the Director representing employees is not taken into account to determine the percentage of Independent Directors.

The profile of these Directors is detailed in section 4.1.3.3 of this document.

The Committee met four times during the financial year, with an attendance rate of 100%.

Main Remit

The role of the Remuneration Committee is to study, review and prepare the discussions of the Board of Directors on remuneration policies and their implementation.

The main roles of the Remuneration Committee are the following:

- reviewing and recommending to the Board of Directors the remuneration to be paid to the Executive Corporate Officers, as well as provisions relating to their retirement schemes and any other benefits granted to them;
- proposing rules to determine the variable portion of the remuneration of the Executive Corporate Officers and ensuring that the criteria chosen are in line with the short-, mid- and long-term strategic orientations of the Company;
- recommending to the Board of Directors the overall policy and the total amount of Directors' fees to be submitted for approval to the General Meeting, as well as how they should be distributed:
 - for duties performed as Board Members,
 - for duties carried out on Committees.
- recommending in collaboration with the Audit Committee the performance metrics to be included and measurement as related to long-term incentives;
- recommending the general policy for allocation of any share-based program proposed for all team members, including the Company's Executive Corporate Officers and Executive managers;
- reviewing the competitiveness of the individual remuneration packages of Executive Committee members;
- reviewing the information provided annually in the Universal Registration Document as it relates to the remuneration of Executive Corporate Officers and other Directors. The Committee also reviews the relevant resolutions for the Shareholders' Meeting.

**Key work in
2022**

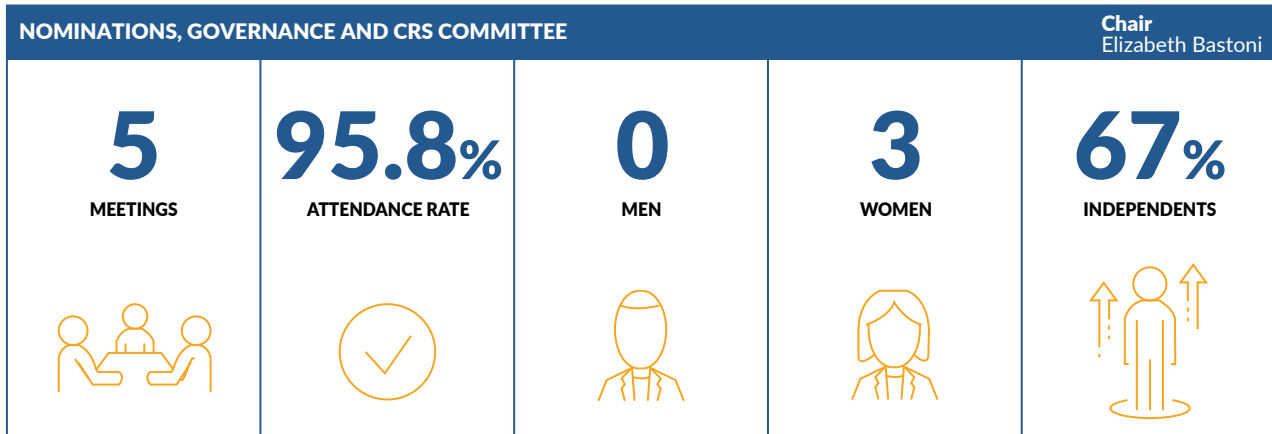
The Committee's work during the year focused on discussions and/or recommendations regarding the:

- level of remuneration for the Chair of the Board and Directors and related payouts;
- level and competitiveness of remuneration for the Chief Executive Officer, related details (peer group review) and payouts;
- criteria and related targets to be used for the variable remuneration of the Chief Executive Officer;
- review of the remuneration of Executive Committee members;
- review of the incentive philosophy and structure to ensure the plans continue to be aligned with the *Horizon* strategy announced by the Company;
- review of remuneration-related documentation to be disclosed in the Universal Registration Document (Say on Pay) and the resolutions on remuneration policy for the Shareholders' Meeting.

The Chair of the Board of Directors attended Committee meetings for certain topics.



c) The Nominations, Governance and CSR Committee



Composition For the Financial Year 2022, the members of the Nominations, Governance and CSR Committee were :

Chair:

- Elizabeth Bastoni - Chair (Independent Director);

Members:

- Marie-Aimée Bich-Dufour;
- Candace Matthews (Independent Director).

The profile of these Directors is detailed in section 4.1.3.3 of this document.

Current composition of the Committee: two out of three independent members. The Committee members each have specific expertise in CSR: Elizabeth Bastoni for human resources issues, Candace Matthews for ethics, corporate reputation, and CSR experience related to product development and Marie-Aimée Bich-Dufour for sustainable development issues.

The Committee met five times during the financial year, with an attendance rate of 95,8%.

Main Remit

The role of the Nominations, Governance and CSR Committee includes:

- Nominations
 - Regularly reviewing issues related to the composition of the Board, the skills required and opportunities to strengthen the scope of skills of Board members.
 - Proposing criteria for the selection of Board members and making recommendations on the renewal of existing Directors ⁽¹⁾.
 - Proposing individual and Group development plans to the Board.
 - Organizing and implementing the selection process for Directors and the Chair of the Board of Directors ⁽²⁾.
 - Setting of the objectives as well as the annual performance review of the Executive Management.
 - Establishing a succession plan for the Chairmanship, Executive Corporate Officers and Executive Management, particularly in the event of unforeseen vacancies, as well as their long-term succession plan ⁽³⁾.
 - The Committee is also informed of and discusses the succession plan and the appointment of Executive Committee members. In certain cases, it participates in the recruitment of certain key members of the Executive Committee.
 - The Chair of the Board and the Chief Executive Officer participate in the work of the Committee in certain cases.
- Governance
 - Evaluating the qualification of independent Director.
 - Ensuring that the Board of Directors regularly conducts an evaluation of its operations and those of the Committees.
 - Ensuring, and contributing to, the Company's compliance with corporate governance rules.
 - Generally, to take up any matter that could involve a significant risk in terms of human assets or to study any question relating to governance that is submitted to it by the Board of Directors.
- Corporate social responsibility
 - Examining the Group's strategic directions, as well as strategic projects and their economic, financial, societal, and environmental consequences.;
 - Reflecting on and modifying certain Group CSR strategy objectives (100% reusable packaging by 2025; by 2030, use of 50% recycled or alternative products for BIC products).;
 - Reviewing of sustainable development issues;
 - Discussing the report on social and environmental responsibility, the actions taken, and the Group's policy in this regard.;
 - Reviewing and ensuring the deployment of the strategy and commitments made;
 - Ensuring the Group's compliance with laws and regulations relating to gender and salary equality and reviewing the associated indicators;
 - Examination of the ethical and compliance issues covered by the Sapin 2 law;
 - Ensuring that the reimbursement to Directors of travel, accommodation, and catering expenses incurred in connection with Board meetings is made on the basis of receipts.

(1) The selection criteria are based on the desired balance in the composition of the Board of Directors, as well as on the qualification of its members. The Board has introduced a competency matrix to ensure that the competencies of the Board of Directors are and remain aligned with the Company's strategy and operations of the Board of Directors.

(2) The Committee may collaborate with the Chair of the Board of Directors and the CEO, as appropriate, in conducting such a search.

(3) The Chair of the Board of Directors and General Management are involved in the execution of these missions as required.



Keyword in 2022

The Committee's work in 2022 focused on:

- the evaluation of the Board's performance:
 - implementation of the action plan for year N-1,
 - preparation and review of the work of the consulting firm that carried out the three-year evaluation,
 - monitoring of the implementation of the related recommendations;
- reviewing of the independence of Directors with respect to the AFEP-MEDEF criteria;
- examination of the situation of each Director with regard to obligations relating to independence and conflicts of interest;
- reviewing of the Group's CSR activity;
- reviewing of the 2021 Corporate Governance Report and the 2021 Universal Registration Document;
- the work to prepare for the transition with the new Chair of the Board of Directors;
- the review of the composition of the Committees and the Board of Directors (renewal);
- the annual review of the performance and development of the Chief Executive Officer;
- the setting of the Chief Executive Officer's objectives;
- the emergency and long-term succession plans for the Chair of the Board and the Chief Executive Officer;
- the commitments of the Sustainable Development Program and progress on our 2025 commitments;
- the annual review of the organization and its human capital (including the diversity policy within the Group and Management). This included the review of progress with a focus on development and succession plans for key positions;
- assisting the Board of Directors in monitoring social, non-discrimination and diversity policies;
- requesting for information regarding recruitment issues and salary policy;
- update on the Group's approaches to diversity, inclusion and gender mix;
- an annual "Talent Review" process, the objectives of which include:
 1. Taking inventory of our leadership talent to ensure BIC's succession.
 2. Improving the anticipation of succession plans.
 3. Engaging in a stronger dynamic in the development of our talent.
 4. Discussion with the Chief Human Resources Officer and the General Counsel about the speak up cases.

4.1.4.4 Evaluation of the Board and its Committees

Periodically, and at least once a year, the Board of Directors devotes time on its agenda to discuss its operations, focusing on the following areas:

- composition and skills of the directors;
- operation and organization of the work of the Board and of the Committees;
- verification of adequate preparation and discussion of important topics.

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, every three years, a formal external evaluation is carried out with the assistance of a specialized firm.

In the course of the 2nd semester of 2022 and in the context of Nikos Koumettis taking office as the new Chair of the Board, the Nominations, Governance, and CSR Committee decided to anticipate the three-yearly evaluation and to engage an external consultant specialized in corporate governance. This consultant, after discussing the scope of its mission with the said Committee, sent a questionnaire to the Directors and conducted individual interviews with each of them.

A report on this assessment was made to the Nominations, Governance and CSR Committee and to the Board of Directors. The evaluation showed that the Board has continued to evolve positively, with significant improvements in the way the Board operates. Furthermore, the evaluation pointed out that the Directors are demonstrating a strong level of engagement, with a joint commitment to support the CEO and his mission. The profile of the new Chair has already created new dynamics thanks to his strong ability to facilitate the dialogue within the Board.

The main recommendations arising from the evaluation relate to:

- addressing the cultural gap between the French and American cultures to leverage differences;
- considering potential adjustments in the Board composition to enhance the complementarity and compatibility of the Board members;
- focusing the work of the Board on M&A, Innovation and ESG;
- a continuous reinforcement of the relationships between the Board of Directors and the Executive Committee members.

4.1.4.5 Ethics of Directors

Stock market ethics

While the Internal Regulations have always included provisions relating to trading BIC shares on the stock market, on December 2022, Société BIC adopted an Insider Trading Policy. This policy complies with the EU Market Abuse Regulation no. 596/2014 (MAR, the "Market Abuse Regulation"), which came into force on July 3, 2016, and AMF Position-recommendation no. 2016-08 as amended on April 29, 2021.

This Insider Trading Policy was presented to the Board of Directors' meeting dated December 12, 2022 and one of its purposes is to raise awareness among all Group staff, including Directors:

- the legislation and regulations applicable to the possession, disclosure and use of "inside information⁽¹⁾" concerning the Company apply to them with regard to the information they have access to by virtue of their positions or duties for the Group;
- compliance with the blackout periods set by the Company;
- the penalties incurred in the event that these rules are breached;
- the rules on establishing, updating, and making available to the AMF a list of all individuals privy to Inside Information who are working for the Group pursuant to an employment contract or who holding any other position which may give them access to Inside Information.

The Board Internal Regulations, last amended on March 17, 2023, in its Title 2 also sets out the ethical obligations applicable to Directors and their permanent representatives, with each Director acknowledging that he or she is aware of these obligations before accepting his or her mandate.

Finally, the Directors report to the Company and to the AMF any transaction carried out by them on BIC shares⁽²⁾. The declaration also concerns transactions carried out by persons closely related to the Directors as defined by the applicable laws and regulations.

Rights and obligations of Directors

The Internal Regulations of the Board of Directors provide that its members are subject to obligations such as:

- acting in the interest of the Company;
- informing the Chair of the Board and the Board of any situation of conflict of interest (including any agreement entered into by the Company in which they are directly or indirectly interested); even potential, and to refrain from taking part in the vote on any resolution on a topic on which such conflict of interest exist;
- performing his or her duties in accordance with applicable legal provisions, in particular those relating to limitations on the number of directorships, and attending Board and Committee meetings regularly be informed so as to be able to contribute in a useful manner to the discussions of the items on the agenda;

- considering him/herself bound by professional secrecy and be bound by an obligation of loyalty;
- complying with the Insider Trading Policy, notably with regard securities transactions.

4.1.4.6 Procedure for declaring conflicts of interest

According to the Internal Regulations, all Directors must disclose to the Board, in full and in advance, any actual or potential conflict of interest concerning them. A conflicted Director may not participate in the discussions or decision-making on the subject.

4.1.4.7 Shareholders dialogue

The Board of Directors ensures that Shareholders and major investors receive relevant information on BIC's strategy, during meetings with minority Shareholders and major investors, in compliance with the principles of stock market ethics and equal access to information.

The Board was informed of the expectations and positions of the main investors and proxy advisors, expressed during meetings with the Company's management in charge of preparing the Shareholders' Meeting (Legal department, Stakeholder relations department and Finance department). It also met to answer questions put by Shareholders prior to the Shareholders' Meeting.

The Board ensures that Shareholders and investors receive relevant information on BIC's strategy, during meetings with the main investors, in compliance with the principles of stock market ethics and equal access to information. In 2022, the Chief Executive Officer presented the Board with a comprehensive report on shareholder relations activities (roadshows, conferences, events, and thematic meetings). He detailed changes in investor expectations and points of attention before and after the publication of the results.

In response to requests received, the Chair of the Board of Directors, accompanied by certain directors depending on the subject, also answered questions from individual Shareholders, institutional Shareholders, and stakeholder questionnaires.

(1) *Inside Information is precise, non-public information which, if made public, could have a significant impact on the share price. Under the terms of Article 621-1, paragraph 3, of the AMF's General Regulations, such information is that which "a reasonable investor would be likely to use as a basis for his investment decisions".*

(2) *See section 4.1.2.8 - Directors' declarations referred to in Annex 1 of European Delegated Regulation n°2019/980*



4.2. CORPORATE OFFICER REMUNERATION

The Board of Directors follows the general guidelines, drawn up within the framework of the recommendations of the AFEP-MEDEF Corporate Governance Code, for the determination, review and implementation of its compensation policy.

In accordance with the French Commercial Code ⁽¹⁾, this section of the report of the Board of Directors details the remuneration and benefits provided to Corporate Officers for or during FY 2022, as well as the applicable remuneration policy.

At the 2023 Shareholders' Meeting, shareholders will be asked to vote on the following resolutions:

- approval of the information on the remuneration of Corporate Officers for 2022;
- approval of the remuneration of Gonzalve Bich, Chief Executive Officer, for 2022;
- approval of the remuneration policy for Executive Corporate Officers for FY 2023;
- approval of the remuneration of John Glen, Chair of the Board up to May 18, 2022;
- approval of the remuneration of Nikos Koumettis, Chair of the Board from May 18, 2022;
- approval of the remuneration policy for the Chair of the Board for FY 2023;
- approval of the remuneration policy for Directors for FY 2023;
- approval of the envelope for the compensation to be allocated among members of the Board of Directors for 2023.

REMUNERATION POLICY FOR DIRECTORS AND CORPORATE OFFICERS OF SOCIÉTÉ BIC

The remuneration policy for Corporate Officers is determined by the Board of Directors upon the recommendation of the Remuneration Committee and following the principles and criteria in the AFEP-MEDEF Code of Corporate Governance. The remuneration policy follows the Code in all aspects.

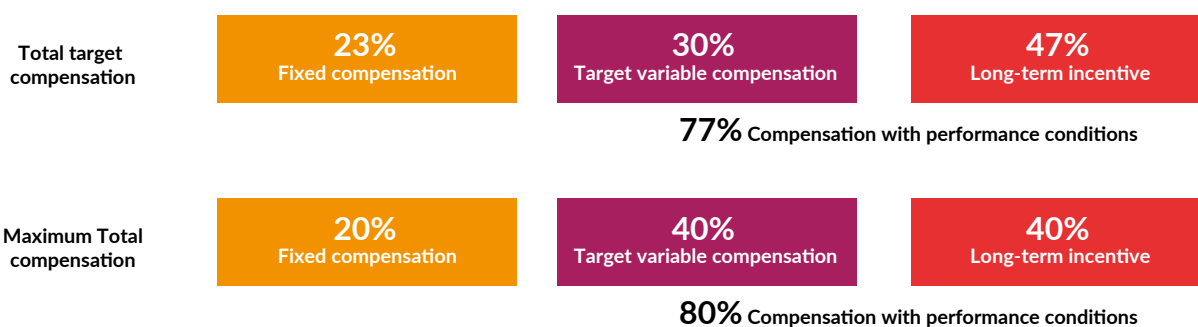
The Board of Directors ensures that the remuneration policy is directly aligned with the Company's overall strategy and is in line with Shareholders' interests to support the Company's performance and competitiveness over the medium and long-term. Social and environmental issues related to the Company's business are also taken into account.

Principles of the remuneration policy

The remuneration policy for Executive Corporate Officers of SOCIÉTÉ BIC is based on the same total rewards philosophy that applies to all BIC Group team members and the framework criteria set out in the Code of Corporate Governance. The policy is based on the principles of comprehensiveness, balance between the remuneration components to ensure pay for performance, comparability, consistency, clarity of the rules, and proportionality. The Chief Executive Officer is currently the only Executive Corporate Officer in activity, but the remuneration policy described in this document would apply to any future Executive Corporate Officer that could be nominated.

Pay-for-performance

PERFORMANCE CONDITIONS PREVAIL IN THE COMPENSATION OF THE EXECUTIVE DIRECTOR

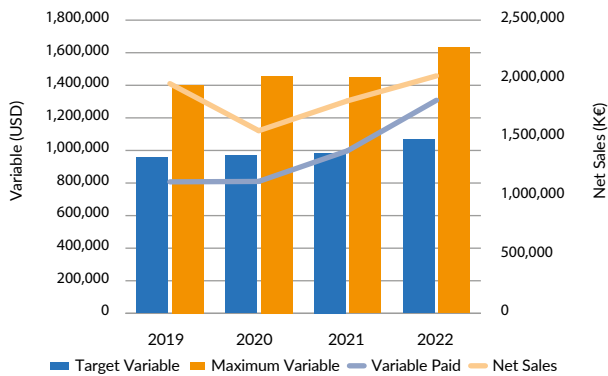


(1) Articles L. 22-10-28, L. 22-10-9, L. 22-10-34 and R. 22-10-14 in particular.

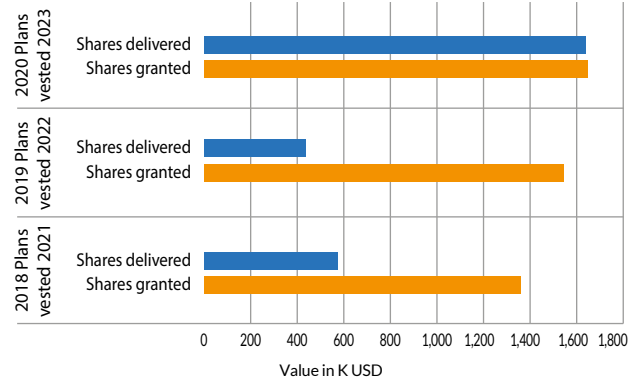


Ambitious short- and long-term performance plans aligned with the Company's strategic objectives

Rate of achievement of the performance conditions for the annual variable compensation of the Executive Corporate Officer



Challenging long-term performance objectives



4.2.1 ELEMENTS OF REMUNERATION AND BENEFITS PAID OR AWARDED DURING FY 2022 TO THE CHIEF EXECUTIVE OFFICER

The compensation paid or awarded for FY 2022 to Gonzalve Bich, Chief Executive Officer, was approved by the Board of Directors at its meeting of February 15, 2022 on the recommendation of the Remuneration Committee. The total compensation is in compliance with the compensation policy as approved by the Shareholders' Meeting of May 18, 2022 with a vote of 91.68%.

Remuneration paid or awarded to Gonzalve Bich during FY 2022

EUR 806,834	EUR 959,302	EUR 1,314,817	EUR 14,808
Fixed compensation	Variable annual compensation	Long-term incentive plan	Company car



“Say on Pay” table relating to the compensation paid or awarded to the Chief Executive Officer during FY2022

Element of remuneration		Amounts paid during FY 2022	Amounts awarded during FY 2022	Comments
Fixed Compensation	USD	850,000	850,000	At its meeting of February 15, 2022 the Board of Directors decided, on recommendation of the Remuneration Committee and after approval of the Shareholders' Meeting, to increase the gross annual fixed remuneration of the CEO to USD 850,000 with effect January 1, 2022.
	EUR	806,834	806,834	
Variable annual compensation	USD	1,010,625	1,349,205	<p>FY 2022 policy: The variable annual compensation is designed to compensate the performance achieved during the financial year in relation to the annual performance objectives set by the Board of Directors in accordance with the corporate strategy. The payment may vary between 0% and 130% of the fixed compensation if the quantitative and qualitative objectives are achieved (at target) and may reach a maximum of 195% if the Company achieves exceptional financial and non-financial performance in relation to the objectives.</p> <p>For the FY2022: At its meeting held on February 14, 2023, the Board of Directors, on the recommendation of the Remuneration Committee and after approval of the financial elements by the Audit Committee, determined the amount of the variable annual compensation for Gonzalve Bich for FY 2022.</p> <ul style="list-style-type: none"> For the financial criteria, the variable remuneration for the year amounts to 918,145 USD, which corresponds to an achievement rate of 118.7%. For the individual criteria, the variable remuneration for the year amounts to 431,060 USD, which corresponds to an achievement level of 130%. <p>Based on this assessment, the total amount of annual variable compensation for the CEO was set at 1,349,205 USD, or 158.73% of his fixed annual compensation, for a target at 130%.</p>
	EUR	959,302	1,280,688	
Multi-year variable compensation	N/A	N/A	N/A	The CEO is not eligible to any multi-year variable cash compensation.
Exceptional compensation	N/A	N/A	N/A	The CEO is not eligible to any exceptional compensation.
Performance shares	-	-	30,886 performance shares	The total IFRS value of the shares granted in 2022 is stable compared to previous year at 1,314,817 euros.
Welcome bonus or compensation for termination of office	N/A	N/A	N/A	The CEO is not eligible to any compensation for termination of office.
Supplementary pension scheme	Unfunded	Unfunded	Unfunded	As of December 31, 2022, Gonzalve Bich had accrued a pension benefit equivalent to 29.07% of the average remuneration over the last three years of service out of his 19.9 years of service. For reference, this is equal to an annual pension of 484,527 USD payable at age 65, inclusive of the U.S. Qualified Pension Plan benefit. In addition, he has also accrued a cash balance benefit of 65,370 USD as of December 31, 2022, which is based on compensation credits equal to 4% of base pay, accumulated with interest, for each year beginning with January 1, 2021. He has elected to receive his Restoration Plan benefit as a lump sum.
Collective healthcare and welfare schemes	USD	61,631	61,631	Gonzalve Bich is registered in the same health insurance and life insurance plans as the other executives in the U.S.
	EUR	58,501	58,501	
Other benefits	USD	15,600	15,600	Gonzalve Bich benefits from a company car allowance.
	EUR	14,808	14,808	

No employment contract was entered into between SOCIÉTÉ BIC and the Executive Corporate Officer. Given the personal situation of the Executive Corporate Officer, his remuneration is paid by BIC International in the United States.



4.2.1.2 Variable Remuneration of Gonzalve Bich

Under the provisions of the French Commercial Code⁽¹⁾, payment of variable remuneration to Corporate officers requires a positive *ex post* vote at the Shareholders' Meeting. The assessment criteria for the 2022 financial year are outlined below.

Dialogue with Shareholders

The Company has continued the dialogue initiated in previous years with its main minority Shareholders, and their proxies. The

intention of these meetings is to understand their perspective and discuss solutions to concerns regarding remuneration policy.

Past discussions highlighted a perceived lack of transparency regarding:

- the stringency of the targets; and
- the measurement of achievement of the variable remuneration and long-term incentive performance criteria for Executive Corporate Officers.

The Company has taken these remarks into consideration and has adapted the information provided in this document on the targets and results achieved.

Objective	Weighting	Minimum	Target	Maximum	Achievement level	Payout	Payout as a% of fixed compensation
Net Sales	25%	1,823 M€	+6,6% increase at budget currency	+10% increase at budget currency	150%	37.5%	48.75%
Group Adjusted Ebit	25%	264 M€	+6,4% increase at budget currency	+9.8% increase at budget currency	62.4%	15.6%	20.28%
Group Cash Conversion Cycle	20%	214 days	202 days	196 days	150%	30.0%	39.00%
Personal objectives	30%	11.7%	39.0%	58.5%	130%	39.0%	50.70%
TOTAL	100%	-	-	-	-	122.1%	158.73%

For 2022, the personal objectives represent 30% of the target variable remuneration and a maximum of 56.25% of the fixed remuneration. As disclosed previously, the individual objectives for the Chief Executive Officer were set around several qualitative elements, considered to be of equal importance. These objectives focused on, but were not limited to, the implementation of the *Horizon* strategy, Operational Excellence, growth initiatives and ESG Criteria.

The acquisition in 2022 of Inkbox, Tattly and AMI contribute to the growth initiatives under the *Horizon* strategy, and coming out of the impact of the pandemic and the tensions on the global supply chain, the continued focus on operational excellence throughout the company has seen an overall improvement in on-time in full delivery to clients around the globe. The *Horizon* plan is on or above target on both Net Sales and aBIT margin, and

Free Cash Flow was above the commitment requested from the team.

From an ESG perspective, following on from the progress made in 2021, a further 3-point progress in the percentage of women among the director population was registered, with the 33% of these positions now being held by women. The level of reusable, recyclable or compostable consumer packaging progressed to 70%, and the use of non-virgin petroleum plastic in our products increased by almost 2 points in 2022. 2022 also saw the announcement of BIC's commitment to ambitious Greenhouse Gas emission reduction targets.

Based on the recommendation of the Nominations Committee, and as approved by the Board of Directors on February 14, 2023, the personal objectives will be paid at 130% of target, resulting in a payout of 1,349,205 U.S. dollars.

(1) Article L. 22-10-34 I.



4.2.1.3 Summary of the Remuneration due or granted to Gonzalve Bich for the fiscal year 2022

SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED TO GONZALVE BICH

(Table 1 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

		FY 2021 (in U.S. dollars) ^(a)	FY 2022 (in U.S. dollars) ^(b)
Compensation due in respect of the year (detailed in table 2)	USD	1,852,394	2,309,247
	EUR	1,565,580	2,191,977
Amount of multi-year variable compensation awarded during the year		N/A	N/A
Amount of stock options awarded during the year (detailed in table 4)	USD	2,676,398	-
	EUR	2,262,000	
Amount of performance shares awarded during the year (detailed in table 6)	USD	1,538,980	1,385,160
	EUR	1,300,693	1,314,817
TOTAL	USD	6,067,772	3,694,407
	EUR	5,128,273	3,506,794

(a) Amounts in U.S. dollars were converted into euros at the average exchange rate for 2021 (1 EUR = 1.1832 USD).

(b) Amounts in U.S. dollars were converted into euros at the average exchange rate for 2022 (1 EUR = 1.0535 USD).

SUMMARY OF THE REMUNERATION OF GONZALVE BICH

(Table 2 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

		Amounts for FY 2021 (in U.S. dollars) ^(a)		Amounts for FY 2022 (in U.S. dollars) ^(b)	
		Due	Paid	Due	Paid
Fixed compensation	USD	770,000	770,000	850,000	850,000
	EUR	650,778	650,778	806,834	806,834
Annual variable compensation	USD	1,010,625	801,291	1,349,205	1,010,625
	EUR	854,146	677,224	1,280,688	959,302
Multi-year variable compensation		N/A	N/A	N/A	N/A
Other compensation ^(c)	USD	5,484	5,484	-	-
	EUR	4,635	4,635	-	-
Directors' compensation		-	-	-	-
Benefits in kind		1) Car allowance:		1) Car allowance:	
	USD	15,600	15,600	15,600	15,600
	EUR	13,185	13,185	14,808	14,808
		2) Company contributions to U.S. savings plan		2) Company contributions to U.S. savings plan	
	USD	8,700	8,700	9,150	9,150
	EUR	7,353	7,353	8,685	8,685
		3) Other:		3) Other:	
	USD	41,985	41,985	85,292	85,292
	EUR	35,485	35,485	80,961	80,961
TOTAL	USD	1,852,394	1,643,060	2,309,247	1,970,668
	EUR	1,565,580	1,388,658	2,191,976	1,870,590

(a) Amounts in U.S. dollars were converted into euros at the average exchange rate for 2021 (1 EUR = 1.1832 USD).

(b) Amounts in U.S. dollars were converted into euros at the average exchange rate for 2022 (1 EUR = 1.0535 USD).

(c) Compensation equivalent to the dividends unpaid on the shares acquired and held by SOCIETE BIC until the end of the compulsory holding period.

4



STOCK OPTIONS GRANTED TO GONZALVE BICH BY THE COMPANY DURING THE FINANCIAL YEAR*(Table 4 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)*

Stock options granted during the fiscal year by the issuer and by any Group company (Nominative list)	Name and date of the plan	Number of options granted during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements (in euros)	Exercise date	Availability date	Performance conditions
Gonzalve Bich	No stock options were granted during the financial year 2022					

STOCK OPTIONS EXERCISED BY GONZALVE BICH DURING THE FINANCIAL YEAR*(Table 5 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)*

Stock options exercised during the fiscal year (Nominative list)	Name and date of the plan	Number of options granted during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements (in euros)	Exercise date	Availability date	Performance conditions
Gonzalve Bich	No stock options were exercised during the financial year 2022					

PERFORMANCE SHARES AWARDED IN FY 2022 TO GONZALVE BICH*(Table 6 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)*

Performance shares awarded during the fiscal year to each Corporate Officer by the issuer and by any Group company (Nominative list)	Number and date of the plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements (in euros)	Award date	Availability date	Performance conditions
Gonzalve Bich	Plan P2022 (February 15, 2022)	30,886	1,314,817	March 31, 2025	March 31, 2025	1) Free Cash Flow 2) Innovation Vitality Rate 3) Rate of reusable, recyclable or compostable packaging

PERFORMANCE SHARES AWARDED IN FY 2021 TO GONZALVE BICH*(Table 6 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)*

Performance shares awarded during the fiscal year to each Corporate Officer by the issuer and by any Group company (Nominative list)	Number and date of the plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method used for the consolidated financial statements (in euros)	Award date	Availability date	Performance conditions
Gonzalve Bich	Plan 17 (February 16, 2021)	30,298	1,300,693	March 31, 2024	March 31, 2024	1) Free Cash Flow 2) Innovation Vitality Rate 3) Rate of reusable, recyclable or compostable packaging



PERFORMANCE SHARES THAT BECAME AVAILABLE IN FY 2022 TO GONZALVE BICH

(Table 7 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares that became available for each Corporate Officer (nominative list)	Number and date of the plan	Number of shares that became available during the fiscal year	Award terms	Award year
Gonzalve Bich	Plan 12 (May 18, 2016)	2,500	50% of the initial allocation vests, based on the achievement of performance conditions	2016
Gonzalve Bich	Plan 15 (February 12, 2019)	8,330	49% of the initial allocation vests, based on the achievement of performance conditions	2019

PERFORMANCE SHARES THAT BECAME AVAILABLE IN FY 2021 TO GONZALVE BICH

(Table 7 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares that became available for each Corporate Officer (nominative list)	Number and date of the plan	Number of shares that became available during the fiscal year	Award terms	Award year
Gonzalve Bich	Plan 11 M (Feb. 10, 2015)	3,240	72% of the initial allocation vests, based on the achievement of performance conditions	2015
Gonzalve Bich	Plan 14 M (May 16, 2018)	7,350	49.1% of the initial allocation vests, based on the achievement of performance conditions	2018

4

SUMMARY OF STOCK OPTIONS GRANTED WITH PERFORMANCE CONDITIONS

(Table 8 following the format of the French Financial Markets Authority Position-Recommendation n°2009-16 de l'AMF)

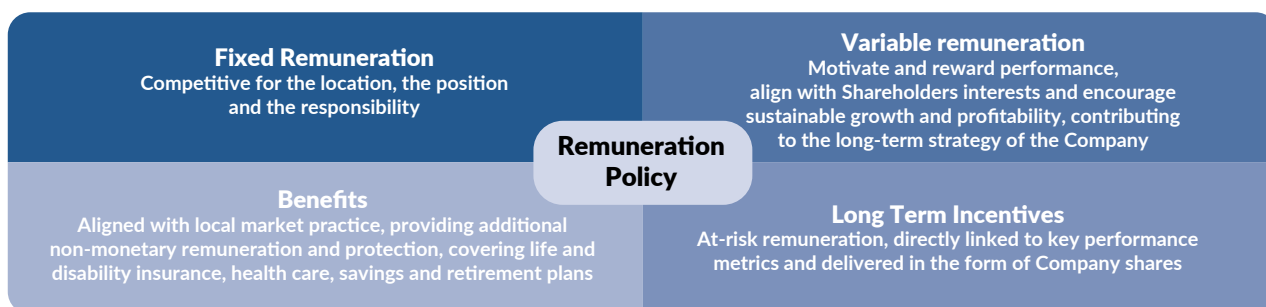
	Achieving Horizon	Achieving Horizon
Date of Shareholders Meeting	May 19, 2021	May 19, 2021
Date of Board Meeting	May 19, 2021	December 9, 2021
Total number of options granted, of which options granted to:	1,224,500	170,000
Gonzalve Bich, Chief Executive Officer	300,000	-
First possible date of exercise	February 28, 2026	February 28, 2026
Expiry date	May 19, 2031	December 9, 2031
Exercise price (Euros)	65	65
Exercise conditions	Performance conditions must be achieved as detailed in 4.2.2.3.	
Number of options exercised as of December 31, 2022	-	-
Number of options cancelled	116,000	-
Stock options outstanding at the end of the financial year	1,108,500	170,000



4.2.2 REMUNERATION POLICY FOR EXECUTIVE CORPORATE OFFICERS

Overview of remuneration structure

The overall remuneration package of the Executive Corporate Officers is based on the same compensation structure as all the Company's executives and is composed of four components. These components are balanced between fixed and at-risk elements of remuneration.



The overall remuneration package, and the mix between fixed and at-risk remuneration, is determined in the context of the local and global markets in which BIC competes for talent and the level of responsibility and impact of the team member. The competitiveness of the remuneration package is benchmarked both locally and globally, with our industry peers but also more broadly with companies of similar scope.

The Company has continued its policy of listening to proxies and shareholders and has taken on board in this document the request for increased transparency on the definition and measure of performance objectives. The 2022 remuneration policy for Executive Corporate Officers was approved by 91.68% of the Shareholders at the Shareholders' Meeting of May 18, 2022, whereas the positive votes for 2020 and 2021 did not exceed 80%.

2022 AGM Resolutions	Policy to be voted	% of positive votes
9	Say-on-Pay report 2021	94.04%
10	Remuneration paid to Chair (Pierre Vareille) for 2021	99.94%
11	Remuneration paid to Chair (John Glen) for 2021	99.94%
12	Remuneration paid to Chief Executive Officer for 2021	91.79%
13	2022 Remuneration Policy - Chair	99.94%
14	2022 Remuneration Policy - Executive Corporate Officers	91.68%
15	2022 Remuneration Policy - Board of Directors	99.97%

Presented below is the report of the Board of Directors on the compensation policy for the Executive Corporate Officers of the Company which will be submitted to the Shareholders for their approval. The compensation policy outlined below was discussed and approved by the Board of Directors, on recommendation of

the Remuneration Committee, in its meetings of February 14 and March 17, 2023. The Chief Executive Officer is currently the only Executive Corporate Officer in the Company. The remuneration policy detailed in this document would also apply to any future Executive Vice-Presidents should such an appointment be made.

Fixed remuneration	CEO – USD 900,000 Executive Vice-President – USD 700,000
Variable remuneration	CEO – Target at 130% Maximum at 195% Executive Vice-President – Target at 75% Maximum at 112.5%
Long-term incentive plan	CEO - Maximum of 2,000,000 euros facial value Executive Vice President - Maximum of 800,000 euros facial value
Pension scheme	The Chief Executive Officer participates in a supplementary pension plan, the BIC Restoration Plan. This plan is governed under US rules and is unfunded. In case of the nomination of an Executive Vice President, they will be enrolled in a supplementary pension plan in line with the legislation of the country in which they are based.
Deferred commitments	The Chief Executive Officer has no deferred commitments.
Multi-year/exceptional variable remuneration	There is currently no multi-year or exceptional variable remuneration component in the Executive Corporate Officers remuneration policy. Any such element will be communicated and justified.
Other	<ul style="list-style-type: none"> • Company car allowance/collective healthcare and welfare schemes. • In the case of the nomination of an Executive Vice-President, the Board of Directors may decide to pay a signing-on element which would be paid in line with current guidelines.



Method of determining competitiveness of the remuneration for Executive Corporate Officers

As with all team members, the fixed element of the Executive Corporate Officers remuneration package is determined based on:

- the level and complexity of responsibilities;
- experience and career history;
- individual performance; and
- market analyses for comparable functions.

The Executive Corporate Officer and senior executives of BIC are located essentially in France and the United States. The Company seeks to ensure that our remuneration policy is both attractive and in line with the markets in which our top executives are based. To ensure appropriate global benchmarks that match BIC's global business, WillisTowersWatson (WTW), a leading global remuneration consultancy firm, has been engaged to provide peer group surveys.

During 2021, the Remuneration Committee worked closely with WTW and the Board of Directors to propose a revised panel of companies to be used for the peer group surveys. The revised comparison panels are based on direct business competitors and other listed companies with which BIC competes for senior executive talent. The companies chosen to constitute the peer group have a global scope and business context that is considered similar to that of BIC.

The peer group panels for the Executive Corporate Officers are as follows:

- France: Albioma, Alten, Aperam, CGG, Derichebourg, Elior, Elis, Eramet, Eutelsat, Fnac Darty, GTT, Imerys, Korian, Lagardere, Maisons du Monde, McPhy Energy, Metropole Television, Nexans, Solutions 30, Spie, TechnipEnergies, TF1, Trigano, Vallourec, Valneva, Virbac
- United States: Acco Brands Corporation, Central Garden & Pet Company, Church & Dwight, Crocs, Edgewell Personal Care, Energizer Holdings, Hasbro, Helen of Troy, Lifetime Brands, Mattel, Revlon, Reynolds Consumer Products, Spectrum Brands, Tupperware Brands, WD-40, Weber, Yeti.

Competitive position of the Chief Executive Officer

COMPARATIO OF EACH COMPENSATION ELEMENT

	Base Salary	Target Total Cash	Long-Term Incentives	Total Direct Remuneration
Chief Executive Officer (2021)	79%	81%	39%	54%
Chief Executive Officer (2022)	87%	91%	39%	60%

The percentages in the table above reflect the comparatio, or the comparison versus the median of the peer group data for the United States market for each component of the compensation package. While each component is detailed below, the overall focus is on the comparatio for Total Direct Remuneration (Base Salary + Short Term Incentive + Long Term Incentives).

4.2.2.1 Fixed remuneration

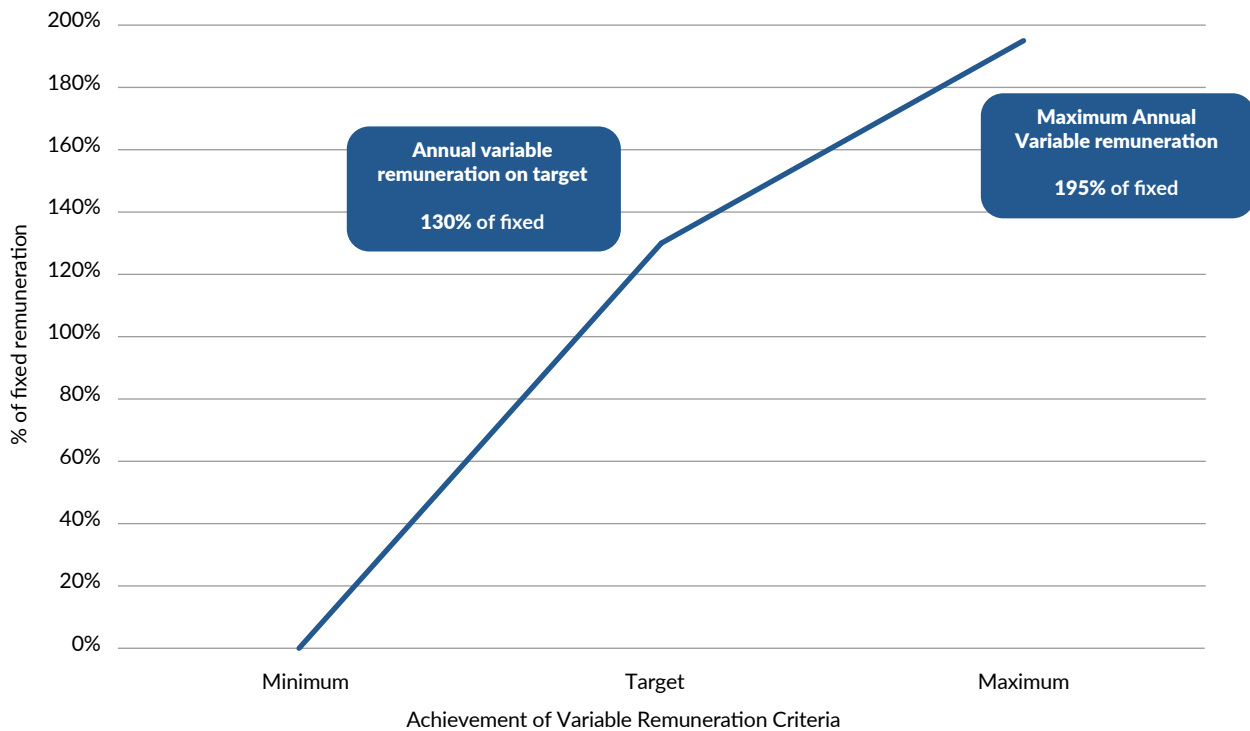
At the beginning of each year, the Board, on the recommendation of the Remuneration Committee, sets the fixed remuneration of the Executive Corporate Officers for the fiscal year.

2022 has seen the world economy impacted by inflation unprecedented in recent years. To recognize the impact of inflation on our team members around the world, the company has implemented salary increases and exceptional one-off measures, with a total envelope dedicated to salary measures that places BIC in the top tier of market practice for salary measures for this year. In 2022, the Board submitted to the vote of the Annual Shareholders meeting a revised compensation package for the Chief Executive Officer, concurrent with the renewal of his mandate. It was indicated at the time that Board

reserves the right to review the amount of the compensation package, subject to exceptional events. Taking into account the exceptional inflationary context, the Board has decided to increase the base salary of the Chief Executive Officer in the same proportion as the average salary increase for other U.S. employees, which results in a fixed remuneration of USD 900,000 per annum. This revised base salary will be effective April 1, 2023, in line with the date of application of management salary increases across the Company. This revised base salary will impact the target short-term incentive for 2023, as is the case for all team members. The long-term incentive award will not be impacted, as this is not calculated as a percentage of fixed remuneration.

4.2.2.2 Short-term variable remuneration

The annual short-term variable remuneration for the Executive Corporate Officers of SOCIÉTÉ BIC is determined as a percentage of their fixed remuneration.



Payout of the bonus will be strongly aligned with business results. For each financial objective:

- a **minimum level of performance**, which is the level of business performance achieved in the prior year;
- a **target fixed at the budget** approved by the Board of Directors;
- a **maximum payout triggered by the achievement of a level of performance determined by the Board of Directors for the coming year.**

Between each milestone, the payout is calculated by linear interpolation.

The financial objectives are based on the operating plan recommended by the Audit Committee and approved by the Board of Directors, at budgeted foreign currency exchange rates. The achievement of each of the financial criteria will be assessed individually and the target for 100% payout will be in line with any guidance communicated externally.

The variable remuneration for 2023 will be calculated based on three quantitative criteria which measure the achievement of financial objectives, and a qualitative component which will focus on measurable, qualitative goals linked to the success of the transformation of the Company, the growth initiatives, and ESG targets in line with the Writing the Future, together commitment taken by the company.



Variable remuneration criteria (all at Group level)	2022	2023
Financial Objectives		
Net Sales, in value	25%	25%
Adjusted EBIT, in value	25%	25%
Cash Conversion Cycle, in number of days ^(a)	20%	20%
Personal Objectives	30%	30%
of which:		
• Climate - drive the action plan generated by the Greenhouse Gas emission reduction targets announced in 2022, targeting a reduction in 50% of Scope 1 and 100% of Scope 2 emission by 2030		5%
Other focus areas		25%
• M&A – lead Business Development and Acquisition projects in line with the Horizon plan, driving new investments and post-merger integration of existing investments.		
• ESG and Engagement – continued improvement of BIC's DE&I female representation targets, employee engagement levels and a focus on ensuring identification of internal potential for leadership roles (succession bench)		
• Long-term Innovation – increase the pace of innovative new product launches and ensure an innovation pipeline to fuel the growth expected under the Horizon strategy, including new ways to grow in the core business		
TOTAL	100%	100%

(a) $Cash\ Conversion\ Cycle = Days\ Sales\ Outstanding\ (DSO) + Days\ Inventory\ Outstanding\ (DIO) - Days\ Payable\ Outstanding\ (DPO)$.

The year-end assessment of the qualitative objectives is performed by the Nominations Committee, with the participation of all Directors, based on specific targets for the year, and presented to the Board of Directors for review, discussion and approval. The annual targets are decided by the Board of Directors, acting on the recommendation of the Nominations Committee, according to the priorities set by the Board of Directors.

The assessment considers the overall achievement during the year of each criteria and results in a payout aligned with achievement.

4.2.2.3 Long-Term Incentives

Long-term incentive grants to executives and other critical team members are a core part of BIC's total rewards strategy. These grants align remuneration with business results and are an integral part of a competitive remuneration strategy.

Since 2005, the Board of Directors has, in line with the authorization granted by the Shareholders' Meeting, maintained a policy of granting shares (or options). Payout is typically based on business performance over a three-year period, aligning the interests of Shareholders and our team members. For the Achieving *Horizon*

exceptional stock option grant detailed below, a five-year performance period was fixed to align with the timing of the *Horizon* plan.

Grant of performance shares

For the Executive Corporate Officers, the maximum market value at grant for each individual is as indicated below.

This practice was put in place in February 2020 following a decision by the Board of Directors to come into line with market practice and grant Performance Shares in value and not in units.

Position	Maximum Market Value of Performance Shares at Grant Date
Chief Executive Officer	2,000,000 euros, representing circa 3 times the fixed remuneration
Executive Vice-President (if appointed)	800,000 euros

The total number of Performance shares granted to the Executive Corporate Officers (over the period covered by the resolution approved by the Shareholders' Meeting) will not exceed 0.4% of the share capital as of the date of the decision to grant the shares by the Board of Directors.

Performance conditions for performance shares

The Board of Directors set the performance targets at the beginning of each performance period. Actual performance is assessed according to the achievement versus the operating plan approved by the Board, each year, over the three-year plan.



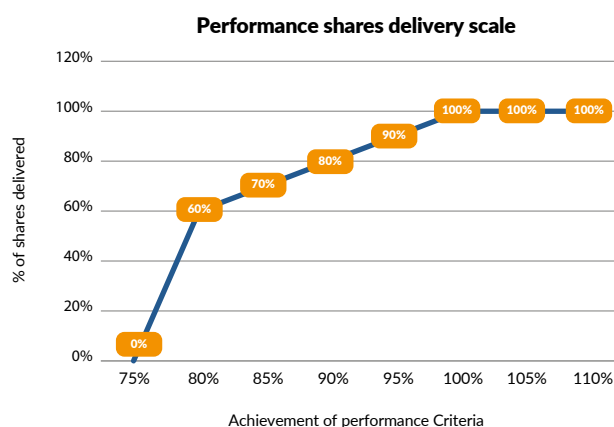
Performance Condition	Weight	Detail
Free Cash Flow	50%	Cash from Operating Activities less Capital Expenditure, consistent with Group's focus on Net Cash Generation
Innovation Vitality Rate	40%	Net Sales from innovations as defined by Plan rules, divided by total Net Sales, consistent with the <i>Horizon</i> strategy
Rate of Reusable, Recyclable or Compostable Packaging	10%	Contributing to our ESG commitments by increasing the rate of reusable, recyclable or compostable packaging across our product lines

Actual performance is assessed separately for each objective against a yearly target set at the beginning of the performance period by the Board of Directors.

Payouts are dependent on the business performance and follow stringent payout calculation rules.

Payout calculation for each objective is as follows:

- for every 1% below the target objective, the number of shares vested is reduced by 2%;
- if the average achievement percentage of the objective is less than 80%, no shares will be delivered;
- the vesting related to each objective is capped at 100% of the related target number of shares.



To the best of the Company's knowledge, no hedging instruments have been put in place by the Corporate Officers mentioned in tables 6 and 7. Moreover, these Corporate Officers have made a formal commitment not to use hedging instruments.

Shareholding Requirement Guidelines

BIC Executive Corporate Officers and Executive Committee members are required to retain 20% of shares granted as registered shares throughout their time in office. The 20% holding requirement applies to each grant and:

- is reduced to 10% when the Chief Executive Officer and the Executive Vice-President own the equivalent of five or three years, respectively, of their base remuneration in BIC shares;
- is waived when, and so long as, Executive Committee members own the equivalent of two years of their base remuneration in BIC shares ⁽¹⁾.

Achieving *Horizon* Stock Option Plan

In 2021, the Board decided to leverage the use of stock options to strengthen the alignment of Senior Management and Shareholders with regard to the delivery of the *Horizon* strategy. After approval of the Annual General Shareholders Meeting in May 2021, a one-time exceptional grant of options, restricted to certain key executives including the CEO, was decided, based on performance conditions and a 5-year vesting period. No further grants will be made under this plan which was implemented on an exceptional basis.

(1) The reference for base salary is the annual gross base salary at December 31 in the previous year (Year Y-1). The number of shares that must be held is calculated using the average share price at close of market for the final 30 trading days in the previous year (Year Y-1), multiplied by the average closing exchange rate in the previous year (Year Y-1) as published by BIC Group Treasury. On December 31, 2021, the CEO had already fulfilled this minimum requirement with the equivalent of over five years of base salary in BIC shares.



For the Executive Corporate Officers, the maximum IFRS value at grant is as indicated below.

Position	Maximum IFRS Value of Stock Options at Grant Date
Chief Executive Officer	2,500,000 euros, representing circa 1.4 times the annual target remuneration

Performance conditions for Achieving *Horizon* Stock Option Plan

The Achieving *Horizon* Stock options plan is based on demanding long-term performance conditions directly linked to the delivery of the *Horizon* plan. Objectives were set by the Board at the beginning of the vesting period focused on growth and profitability in line with the *Horizon* plan mid-single digit annual growth trajectory announced in November 2020. The Board will assess achievement of the performance conditions when FY 2025 results are published. No progressive or phased vesting is considered for this plan (cliff effect).

To this effect, if the performance conditions are not met no options may be exercised.

The vesting is capped at 100% of the total target number of options regardless of whether the performance conditions are overachieved.

Conditions for retaining share-based entitlements in the event of departure

Performance shares

If an Executive Corporate Officer leaves the Company, the Board of Directors will assess whether s/he may retain entitlement, in full or in part, to previously granted and un-vested performance shares, subject to the following limits and conditions:

- retention of the award is only possible in case of retirement or forced departure, *i.e.* not in the event of resignation;
- no delivery is authorized before the vesting date specified in the relevant plan rules. Consequently, performance shares cannot vest early;
- the performance conditions continue to apply throughout the specified vesting period.

Stock Options

If an Executive Corporate Officer leaves the Company during the vesting period (except in case of death), s/he may not retain any right to be delivered unvested Stock Options. In the event of death or retirement during the exercise period, stock options might be maintained.

4.2.2.4 Pension plans

The Executive Corporate Officers are eligible to supplementary pension plans as detailed below.

Gonzalve Bich is a member of the BIC CORPORATION Restoration Plan (a U.S. supplementary pension plan). This has existed since 2006 and benefits selected Company executives whose remuneration taken into account in the U.S. Qualified Pension Plan is restricted by regulations.

The plan benefits are subject to having been a participant in the plan for at least five years.

Method for determining the pensionable remuneration: the pensionable remuneration is the average remuneration based on the highest three consecutive years within the last 10 years.

Rate at which pension rights vest: this plan provides for a single life annuity, payable at normal retirement age (65) equal to:

- 1.1% of the Social Security ceiling plus 1.5% of average pay in excess of the Social Security ceiling;
- multiplied by the number of years of service (not to exceed 35 years);
- plus 1.4% of average pay per year of service in excess of 35 years.

The plan also includes the pension granted by the U.S. Qualified Pension Plan. Full vesting at age 52 with 15 or more years of service or at age 60 with five years of participation. Full vesting in the U.S. Qualified Plan occurs at five years of service:

In addition, the Plan provides early retirement benefits for beneficiaries prior to age 65 (age 62 if they retire, or after age 55 with 10 or more years of service).

In accordance with IAS 19, provisions are funded by BIC CORPORATION for the commitments arising from this plan.

Maximum Payments: not applicable.

Method of funding: the Restoration Plan is unfunded. The U.S. Qualified Pension Plan is funded through a trust.

Other expenses paid by the Company: BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan

As of December 31, 2022, Gonzalve Bich had accrued a pension benefit equivalent to 29.07% of the average remuneration over the last three years of service out of his 19.9 years of service. For reference, this is equal to an annual pension of 484,527 U.S. dollars payable at age 65, inclusive of the U.S. Qualified Pension Plan benefit. In addition, he has also accrued a cash balance benefit of 65,370 U.S. dollars as of December 31, 2022, which is based on compensation credits equal to 4% of base pay, accumulated with interest, for each year beginning with January 1, 2021. He has elected to receive his Restoration Plan benefit as a lump sum.

Should an Executive Vice President be nominated, the company will enrol them in a supplementary pension plan in line with the guidelines and regulations in place in the country of employment.

4.2.2.5 Benefits in kind

Executive Corporate Officers may receive a company car or an equivalent car allowance and standard health, life and disability coverage, equivalent to the benefits granted to other BIC Executive leaders based in the same country.

4.2.2.6 Termination Payment and Sign-on Bonus

The Chief Executive Corporate Officer will not receive a termination payment upon leaving the Company. The position can also be terminated at any time (*ad nutum*).

The Board reserves the right to:

- consider pre-established potential termination payments for other Executive Corporate Officers in line with AFEP-MEDEF Code recommendations and ceilings for future appointments;
- make provision for sign-on bonus for newly hired Executive Corporate Officers reflecting the personal circumstances of Executive Corporate Officers hired (e.g., change in status, termination of an employment contract, etc.).

4.2.2.7 Other components

There are currently no other components in the policy for the

Chief Executive Officer and specifically no non-compete agreements.

The Board reserves the right to consider the possibility of exceptional payments or a non-compete agreement in the case of the nomination of a new Executive Corporate Officer.

Any such considerations will be taken in line with the AFEP-MEDEF Code recommendations and ceilings and will be duly justified and communicated.

4.2.2.8 Claw back clause

Where a beneficiary is found guilty of misconduct by the Board while employed by or providing services to the Company, the Board of Directors may, at its sole discretion, seek the repayment of:

- the last annual variable remuneration paid to the incumbent;
- the last long-term incentive delivered to Executive Corporate Officers.

4.2.2.9 Commitments concerning Corporate Officers (related to the start or end of a term of office)

(Table 11 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Corporate Officers	Employment contract		Supplementary pension plan		Indemnities and benefits due or likely to be due because of a termination or change in positions		Non-competition indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
John Glen Chair of the Board (Interim) Initial date of appointment: May 19, 2021 Term: AGM 2022		X		X		X		X
Nikos Koumettis Chair of the Board Initial date of appointment: May 18, 2022 Term: AGM 2025		X		X		X		X
Gonzalve Bich Chief Executive Officer Initial date of appointment: June 2, 2016 Term: AGM 2025		X ^(a)	X (See Section 4.2.2.4)			X		X

(a) No employment contract was signed by SOCIÉTÉ BIC and Gonzalve Bich. His remuneration is paid by BIC International. No termination payments are provided for these roles, which can be terminated at any time.

4



4.2.3 REMUNERATION AND BENEFITS PAID OR ALLOCATED FOR FY 2022 TO NON-EXECUTIVE CORPORATE OFFICERS AND DIRECTORS

Applying the rules defined by the Board of Directors and approved by the Annual Shareholders' Meeting of May 18, 2022, non-executive Corporate Officers received the following remuneration in respect of the duties performed in 2021 and 2022.

COMPENSATION RECEIVED BY THE NON-EXECUTIVE CORPORATE OFFICERS

(Table 1 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

John Glen Chair (non-executive) January 1 – May 18, 2022	FY 2021 (in euros)	FY 2022 (in euros)
Remuneration due in respect of the year (detailed in Table 2)	216,087	125,000
Amount of multi-year variable remuneration awarded during the year	-	-
Amount of stock options awarded during the year	-	-
Amount of performance shares awarded during the year	-	-
TOTAL	216,087	125,000

Nikos Koumettis Chair (non-executive) May 18 – December 31, 2022	FY 2021 (in euros)	FY 2022 (in euros)
Remuneration due in respect of the year (detailed in Table 2)	-	200,000
Amount of multi-year variable remuneration awarded during the year	-	-
Amount of stock options awarded during the year	-	-
Amount of performance shares awarded during the year	-	-
TOTAL		200,000

COMPENSATION RECEIVED BY THE NON-EXECUTIVE CORPORATE OFFICERS

(Table 2 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

John Glen Chair (non-executive) January 1 – May 18, 2022	Amounts for FY 2021 (in euros)		Amounts for FY 2022 (in euros)	
	Due	Paid	Due	Paid
Fixed remuneration	200,000	200,000	125,000	125,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Extraordinary remuneration	-	-	-	-
Directors' fees*	16,087	16,087	-	-
Fringe benefits	-	-	-	-
TOTAL	216,087	216,087	125,000	125,000

* Fixed Remuneration 2021 as chair and directors fees prior to nomination.

Nikos Koumettis Chair (non-executive) May 18 - December 31, 2022	Amounts for FY 2021 (in euros)		Amounts for FY 2022 (in euros)	
	Due	Paid	Due	Paid
Fixed remuneration	-	-	200,000	200,000
Annual variable remuneration	-	-	-	-
Multi-year variable remuneration	-	-	-	-
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Fringe benefits	-	-	-	-
TOTAL	-	-	200,000	200,000

COMPENSATION PAID TO DIRECTORS

(Table 3 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

Of the 550,000 euros allocated to Directors Fees by the Annual Shareholders' Meeting of May 18, 2022, at total of 524,642 Euros was paid to Directors for FY 2022. Total remuneration and fringe benefits awarded for FYs 2021 and 2022 by SOCIÉTÉ BIC

and by the companies it controls to members of the Management bodies of SOCIÉTÉ BIC are detailed below. In application of the remuneration policy, the Directors representing BIC employees received a fixed element of remuneration for their role.

	Directors' remuneration relating to 2021 (in euros)	Directors' remuneration relating to 2022 (in euros)
Elizabeth Bastoni (Chair of the Remuneration and Nominations Committees, Lead Director)	91,700	99,000
Marie-Pauline Chandon-Moët	36,500	35,875
Maëlys Castella (Chair of the Audit Committee)	62,700	69,100
Candace Matthews ^(a)	87,600	94,000
Marie-Aimée Bich-Dufour	41,491	50,000
SOCIÉTÉ M.B.D.	50,500	53,000
Jake Schwartz	53,500	59,000
Timothée Bich	36,500	39,000
Vincent Bedhome	13,300	14,000
Inna Kostuk ^(b)	13,300	11,667
TOTAL FROM AUTHORIZED SUM	503,178	524,642

(a) Candace Matthews benefits from a specific arrangement for a fixed amount of 30 000 euros instead of the travel allowance, as per prior agreement.

(b) Inna Kostuk resigned as of October 14, 2022.

4



4.2.4 REMUNERATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS

The conditions governing Directors remuneration within the total annual amount of corporate officer remuneration authorized by the Shareholders' Meeting are determined by the Board of Directors on the basis of a recommendation from the Remuneration Committee.

Chair of the Board

The Chair of the Board is the only Non-Executive Corporate Officer.

The remuneration policy for the Chair of the Board has a single fixed component and the Chair is not eligible to any variable or equity based compensation. The fixed compensation is set based on market practice, and was reviewed in 2021 in preparation of the nomination of Nikos Koumettis as Chair of the Board in May 2022. Subsequent to this review, no change was made and the fixed annual gross remuneration of the Chair of the Board remains at 300,000 euros. This payment is excluded from the yearly amount of Directors' remuneration presented below.

The Chair of the Board is not eligible to any supplementary pension plan or other fringe benefits.

Directors

During 2021, the Remuneration Committee worked with WTW on establishing a benchmark for the compensation policy for the Directors. The review of the benchmark data led the Board of Directors to determine a new structure for Directors fees, fixed for the three-year period covering financial years 2022 to 2024. This new policy was submitted for vote at the Shareholders' Meeting of May 18, 2022, Shareholders set the maximum amount of Directors' remuneration for FY 2022 at 550,000 euros.

The amounts paid for duties performed in 2022 are aligned with this policy and the overall envelope continues to be allocated between the Directors based on role(s), responsibilities and attendance. The variable part of the directors' remuneration is intended to represent the majority of their remuneration as Directors.

For the FY 2023, the compensation policy for the Board of Directors will remain unchanged but an overall envelope of 600,000 euros will be requested to cover the overlap expected at the time of the renewal of certain mandates.

Board of Directors		Fixed remuneration	14,000 euros <i>per annum</i> – prorated for duration of membership during the year
		Variable remuneration	25,000 euros <i>per annum</i> for participation in all Board Meetings – prorated in case of absence.
Intercontinental meeting allowance		Variable remuneration	3,000 euros additional per meeting on continent other than that of residence*
Audit Committee	Chair	Fixed remuneration	19,100 euros <i>per annum</i> – prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	14,000 euros <i>per annum</i> – prorated upon duration of membership during the year
Nominations Committee	Chair	Fixed remuneration	15,000 euros <i>per annum</i> – prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	11,000 euros <i>per annum</i> – prorated upon duration of membership during the year
Remuneration Committee	Chair	Fixed remuneration	15,000 euros <i>per annum</i> – prorated upon duration of time in role during the year
	Committee member	Fixed remuneration	11,000 euros <i>per annum</i> – prorated upon duration of membership during the year

* Candace Matthews benefits from a specific arrangement for a fixed amount of 30,000 euros instead of the travel allowance, as per prior agreement.

The Chief Executive Officer does not receive any remuneration for his role as a Director.

Directors representing the Employees receive the Fixed component of Directors' remuneration in recognition of their duties as Directors. Their work on Committees is considered as remunerated through their employment compensation.

No member of the Executive Committee receives Directors' remuneration for serving as Corporate Officers or Directors of any Company subsidiary.

4.2.5 ADDITIONAL INFORMATION RELATED TO THE REMUNERATION POLICY

4.2.5.1 Internal Consistency and Proportionality

To ensure the alignment of the organization in driving the transformation strategy outlined by the company, the Executive Committee ensure that the remuneration principles that are applied to the Executive Corporate Officers are also shared across the whole organization. Remuneration of team members is differentiated to reflect:

- the level of responsibility;
- individual and collective performance;
- team member potential; and
- differing competitive market practices.

At the most senior levels, the proportion of remuneration at risk under the variable remuneration and long-term incentive plans represent significant components of the executive's overall package. The indicators used to measure payout of the short-term and long-term incentives are the same as those applied to the Chief Executive Officer. The interest of the executive is thereby aligned to the interests of the Shareholders.

To reinforce the importance of our Sustainability objectives, underlined in the 4R philosophy and the Writing the future, together commitment, all Executive Committee members have an element of their annual variable compensation calculated on CSR criteria. These CSR criteria are included in their individual objectives and range from improving the Diversity and Inclusion of the teams to the improvement of the environmental footprint of the product ranges under their responsibility.

In a continued effort to underpin the importance of the Sustainability agenda, starting with the development of new products and the renewal of our core product lines, starting with the 2023 calendar year, the Company will enforce the inclusion of at least one ESG criteria in the individual objectives of all team members who play a role in Product Development.

Remuneration policies are clearly communicated to management and executives, both in terms of their structure and the alignment with BIC's strategy and business objectives. Each executive receives a detailed statement on a yearly basis confirming the performance levels taken into account in their variable remuneration calculation, and individual grant letters outline the performance criteria for the long-term incentive plans.

4.2.5.2 Pay equity ratio

In accordance with the requirements of the French PACTE law, the following table presents the pay equity ratio and the annual evolution of compensation, pay equity ratio and company performance over a five-year period.

The scope for calculating the ratio includes all legal entities in France, constituting a scope covering the different activities of the group. The ratio covers 100% of team members present in France.

The following elements of compensation were taken into account:

- fixed and variable compensation paid during the year in question⁽¹⁾;
- share awards recognized at IFRS value at the grant date;
- gross profit sharing awards;
- benefits in kind such as company cars;
- divided equivalents paid during the year.

4

(1) The variable compensation paid in 2021 for FY 2020 is included in the 2021 data.



(all figures are in euros)	2018	2019	2020	2021	2022
FX rate EUR/USD	1.8110	1.1196	1.1405	1.1832	1.0535
NET SALES (M€)	1,949.8	1,949.4	1,627.9	1,813.9	2,233.9
Evolution N-1		=	-17%	+11%	+23%
TOTAL COMPENSATION					
Chair of the Board	187,500	300,000	300,000	300,000	300,000
Chief Executive Officer	2,061,961	2,728,952	2,846,374	2,943,533	3,185,408
Executive Vice-President	1,470,572	1,608,130	789,665	-	-
Executive Vice-President	571,187	464,915	-	-	-
Average compensation BIC employees	54,934	55,781	49,682	48,931	49,559
Median compensation BIC employees	37,780	38,353	35,169	33,983	34,346
RATIO ON AVERAGE SALARY					
Chair of the Board	3	5	6	6	6
Evolution N-1	-	+2 points	+1 point	=	=
Chief Executive Officer	38	49	57	60	64
Evolution N-1	-	+11 points	+8 points	+3 points	+4 points
Executive Vice-President	27	29	32	-	-
Executive Vice-President	10	8	-	-	-
RATIO ON MEDIAN SALARY					
Chair of the Board	5	8	9	9	9
Evolution N-1	-	+3 points	+1 point	=	=
Chief Executive Officer	55	71	81	84	91
Evolution N-1	-	+16 points	+10 points	+3 points	+7 points
Executive Vice-President	39	42	45	-	-
Executive Vice-President	15	12	-	-	-

4.2.5.3 Global Long Term Incentive plans (performance-based shares)

The Board of Directors, in line with the power granted by the Shareholders' Meeting, and on the recommendation of the Remuneration Committee, grants eligible executives three-year performance-based share grants. The vesting period and performance conditions linked to these grants are the same as those approved for the Chief Executive Officer, ensuring alignment with the strategic ambitions and the interest of the shareholder throughout the management levels of the company.

On the recommendation of the Remuneration Committee, and with the aim of rewarding team members selected by Management and key contributors during the year, the Board of Directors has also implemented a policy of free share grants, linked to the continued presence of the team member over the three-year and one month vesting period but with no performance conditions.

For performance share plans granted in years up to and including 2020, performance is assessed according to the achievement of two objectives:

- net sales growth on a comparative basis;
- net cash flow from operations and change in inventory, as a percentage of net sales.

The payout of each performance criteria is assessed independently and subject to the following payout calculation:

- if the average percentage over the three-year period is between 75% and 100%, the number of shares acquired by each beneficiary on the vesting date is reduced by 2% compared to the initial grant for each percent below 100%;
- if the average percentage of each performance condition over the three-year period is less than 75%, no shares are acquired.

RESULTS OF THE PLANS VESTED THROUGH TO 2022: INDEX OF ACHIEVEMENT OF PERFORMANCE CONDITIONS, PER CRITERIA AND PER PLAN

	Plan 10 (2014-2016)	Plan 11 (2015-2017)	Plan 12 (2016-2018)	Plan 13 (2017-2019)	Plan 14 (2018-2020)	Plan 15 (2019-2021)	Plan 16 (2020-2022)	Average of the plans
Net sales growth	96.7	71.9	48.6	23.6	47.8	67.6	102.8	65.6
Cash Flow	98.6	100.6	102.2	100.2	99.2	99	101.4	100.2
Vesting as % of the initial grant	96%	72%	50%	-	49%	49%	100%	69%

For performance share plans granted from 2021 onwards, performance will be assessed according to the achievement of three objectives:

Performance Condition	Weight	Detail
Free Cashflow	50%	Cash from Operating Activities less Capital Expenditure, consistent with Group's focus on Net Cash Generation
Innovation Vitality Rate	40%	Net Sales from innovations launched over the past three years divided by total Net Sales, consistent with the <i>Horizon</i> strategy
Rate of Reusable, Recyclable or Compostable Packaging	10%	Contributing to our ESG commitments by increasing the rate of reusable, recyclable or compostable packaging across our product lines

The payout of each performance criteria is assessed independently and subject to the following payout calculation:

- if the average percentage over the three-year period is between 80% and 100%, the number of shares acquired by each beneficiary on the vesting date is reduced by 2% compared to the initial grant for each percent below 100%;
- if the average percentage of each performance condition over the three-year period is less than 80%, no shares are acquired.

To the best of the Company's knowledge, no hedging instruments have been put in place by the Corporate Officers. Moreover, these Corporate Officers have made a formal commitment not to use hedging instruments.

The total number of shares granted under these plans is reported in Note 23 to the consolidated financial statements.

4

FREE SHARES GRANTED AND TRANSFERRED IN 2022 TO THE TOP TEN MEMBERS OF THE GROUP WHO ARE NOT CORPORATE OFFICERS

(Table 9 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

	Number of shares	Valuation of the shares according to the method used for the consolidated financial statements (in euros)	Vesting date	Availability date	Plan No
• Shares granted during the fiscal year by the issuer or by any company included in the perimeter of allocation of shares to the 10 employees of the issuer and of any such company allocated the highest number of shares ^(a)	70,642	3,375,275	March 31, 2025	March 31, 2025	P 2022
• Shares transferred during the fiscal year by the issuer or by any company included in the perimeter of allocation of shares to the 10 employees of the issuer and of any such company who are transferred the highest number of shares ^(a)	15,067	719,901	March 31, 2022	March 31, 2022	15

(a) These shares are all allocated subject to performance conditions.



HISTORY OF PERFORMANCE SHARE PLAN ALLOCATIONS

(Table 10 following the format in French Financial Markets Authority Position-Recommendation No. 2009-16)

	Plan No. 11	Plan No. 12	Plan No. 13	Plan No. 14	Plan No. 15	Plan No. 16	Plan No. 17	Plan P2022
Shareholders' Meeting	May 15, 2013	May 18, 2016	May 18, 2016	May 16, 2018	May 16, 2018	May 16, 2018	May 16, 2018	May 19, 2021
Board Meeting	Feb. 10, 2015	May 18, 2016	Feb.10, 2017	May 16, 2018	Feb. 12, 2019	Feb. 11, 2020	Feb. 16, 2021	Feb. 15, 2022
Number of free shares granted	176,740	159,680	155,790	170,720	162,025	234,118	244,181	240,156
• Of which shares granted to Corporate Officers (% of BIC shares as of Dec. 31, 2022)								
Gonzalve Bich	4,500 (0.01%)	5,000 (0.01%)	8,000 (0.02%)	15,000 (0.03%)	17,000 (0.04%)	24,781 (0.05%)	30,298 (0.07%)	30,886 (0.07%)
End of Vesting Period	Mar. 10, 2018	May 18, 2019	Mar. 31, 2020	May 16, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025
End of Holding Period	Mar. 10, 2021	Mar. 31, 2022	Mar. 31, 2020	May 16, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2025
Performance conditions	1) Net sales growth on a comparative basis 2) Net cash flow from operations and change in inventory, as a percentage of net sales					1) Free Cash Flow 2) Innovation Vitality Rate 3) Rate of reusable, recyclable or compostable packaging		
Total number of shares vested as of December 31, 2022	105,096	64,365	-	58,434	52,573	-	-	-
Total number of void or lapsed shares as of December 31, 2022 ^(a)	71,884	94,025	155,790	112,286	109,452	62,226	53,308	8,731
TOTAL NUMBER OF PERFORMANCE SHARES OUTSTANDING AS OF DECEMBER 31, 2022	-	-	-	-	-	171,892	190,873	231,425

(a) Performance shares lapsed following the departure of the beneficiaries from the company or the non-realisation of the performance conditions

Shares allocated with or without performance conditions

The Board of Directors, in line with the power granted by the Shareholders' Meeting, and on the recommendation of the Remuneration Committee, grants eligible executives three-year performance-based share grants. The vesting period and performance conditions linked to these grants are the same as those for the Chief Executive Officer.

On the recommendation of the Remuneration Committee, and with the aim of rewarding team members selected by

Management and key contributors during the year, the Board of Directors implemented a policy of free share grants, linked to the continued presence of the team member over the three-year and one month vesting period but with no performance conditions.

In 2021, the Board of Directors approved the grant of free standard shares to all employees of the Company, with the exception of the Chief Executive Officer, under the *Sharing Horizon* Employee Share Plan. These standard shares have no performance conditions attached and will be delivered to all employees still present with the company at the end of the two-year vesting period.

The summary of the grants under these plans is provided below:

	Performance Shares	Standard Shares	Sharing Horizon
2022 Grants	240,156 shares 173 beneficiaries	118,750 shares 743 beneficiaries	
2021 Grants	244,181 shares 158 beneficiaries	137,322 shares 660 beneficiaries	59,720 shares 11,944 beneficiaries
2020 Grants	234,118 shares 501 beneficiaries	30,613 shares 242 beneficiaries	
2019 Grants	162,025 shares 496 beneficiaries	17,550 shares 239 beneficiaries	

The total number of shares is reported in Note 23 to the consolidated financial statements.

4.2.5.4 Total remuneration

All amounts mentioned in this section take into consideration the length of service of the Board member or Executive Corporate Officer, or of membership of the Executive Committee during the fiscal year in question.

The total amount of fixed and variable remuneration awarded to the two Chair of the Board and the Executive Corporate Officers for FY 2022 is equal to 1,131,835 euros in fixed remuneration (base) and 1,280,688 euros in variable remuneration. For FY 2021, the three Corporate Officers received 975,778 euros in fixed remuneration (base) and 854,146 euros in variable remuneration.

The team members on the Executive Committee (11 team members including the Chief Executive Officer) received for FY 2022 4,907,688 euros in fixed remuneration (base) and 2,782,494 euros in variable remuneration. For FY 2021, the Executive Committee had 10 team members and the amounts were 3,526,392 euros in fixed remuneration (base) and 1,792,292 euros in variable remuneration.



4

CORPORATE GOVERNANCE





COMMENTS ON THE YEAR

5.1. OPERATIONS AND CONSOLIDATED RESULTS	218
The Group in 2022	218
2022 Group non-financial performance	220
2022 Group performance by category	220
2022 Group performance by region	223
5.2. FINANCIAL AND CASH POSITIONS	225
5.3. DIVIDENDS	226
5.4. INVESTMENTS	227
Key investments in recent years	227
Key investments in 2022	228
Key ongoing investments: geographic distribution and financing methods	228
Key future investments	228



5.1. OPERATIONS AND CONSOLIDATED RESULTS

THE GROUP IN 2022

2022 Key Events

January	Launch of a new ESG Impact Share Buyback program
February	Acquisition of Inkbox, the leading brand of high quality semi-permanent tattoos
May	Announcement of Greenhouse Gas Emission reduction targets
July	Acquisition of Tattly, a leading decal brand based in the USA
September	Acquisition of AMI (Advanced Magnetic Interaction), a French company specializing in augmented interaction technology
December	Completion of BIC's ESG Impact Share Buyback program amounting to 39.2 million euros

FY 2022 Net Sales increased by 21.9% at actual currencies, 11.0% on a comparative basis and 13.8% at constant currencies. All divisions and regions contributed to the growth. Main drivers included volume increase, favorable mix, and the successful implementation of price increases in all regions as expected.

CONDENSED PROFIT AND LOSS ACCOUNT

<i>(in million euros)</i>	FY 2021	FY 2022
Net sales	1,831.9	2,233.9
Cost of goods	901.1	1,155.9
Gross Profit	930.8	1,078.0
Administrative & other operating expenses	478.8	774.5
EBIT	452.0	303.5
Finance revenue/(costs)	(4.2)	(12.9)
Income before tax	447.8	290.6
Income tax expense	(133.6)	(81.7)
Net Income Group Share	314.2	208.9
Earnings per share <i>(in euros)</i>	7.02	4.75
Average number of shares outstanding (net of treasury shares)	44,778,191	43,974,525

FY 2022 Gross Profit margin decreased by 2.5 points to 48.3% as reported, and by 2.8 points excluding Inkbox. Input cost inflation (-5.7 pts) and unfavorable FX (-0.8 pts), mainly EUR/USD hedging rate (-1.1 pts), were partially offset by favorable fixed cost absorption (+1.5 pts), pricing (+2.1 pts), and the positive contribution of Inkbox (+0.3 pts).

FY 2022 adjusted EBIT margin was 14.0%, a decrease of 1.3 pts compared to FY 2021 as reported and 0.6 pts excluding the impact from 2022 acquisitions. Net Sales operating leverage (+4.3 pts) was more than offset by Gross Profit margin decrease (-2.8 pts), the increase in Brand Support (-0.8 pts), OPEX and others (-1.3 pts), and the negative impact from 2022 acquisitions (-0.7 pts).

Total input cost inflation (including raw material, sea and air freight costs and electricity prices) weighed 105 million euros on FY 2022 adjusted EBIT. The Full Year impact was more than offset by volume increases, price adjustments, and cost savings.

As a result, **FY 2022 Adjusted EBIT** was 311.7 million euros, a 11.4% increase versus prior year.

FY 2022 non-recurring items included:

- 5.2 million euros related to acquisition costs, and 2020 Rocketbook and Djeep acquisitions' price adjustments;
- 3.0 million euros related to an impairment on Ukraine operations.

KEY COMPONENTS OF THE CHANGE IN ADJUSTED EBIT MARGIN

(in % points)	2022 vs. 2021
• Change in cost of production	(2.5)
• Brand Support ^(a)	(0.7)
• OPEX and other expenses ^(a)	1.9
Total change in Adjusted EBIT margin	(1.3)

(a) Brand support, OPEX and other expenses include Net Sales operating leverage impact. Other expenses include notably freight & distribution and R&D.

NON-RECURRING ITEMS

(in million euros)	2021	2022
EBIT	452.0	303.5
As % of Net Sales	24.7%	13.6%
Clichy Headquarters sale gain	(167.7)	-
Pimaco divestiture gain	(3.0)	-
Restructuring costs related to BIC's transformation plan	+4.2	-
Pensions adjustment favorable in France, UK and unfavorable in Greece	(6.9)	-
Acquisition costs, Rocketbook earnout and Djeep price adjustment	+1.2	+5.2
Ukraine operations impairment	-	+3.0
Adjusted EBIT	279.8	311.7
As % of Net Sales	15.3%	14.0%

NET INCOME AND EPS

(in million euros)	FY 2021	FY 2022
EBIT	452.0	303.5
Finance revenue/costs	(4.2)	(12.9)
Income before Tax	447.8	290.6
Net Income Group share	314.2	208.9
Adjusted Net Income Group Share	191.7	225.2
Adjusted EPS (in euros)	4.29	5.12
EPS (in euros)	7.02	4.75

FY 2022 finance revenues/costs decrease was mainly due to Argentina hyperinflation impact in Q4 2022.

FY 2022 effective tax rate was 28.1% vs. 29.8% in 2021 and 2022 Net Income Group share stood at 208.9 million euros versus 314.2 million euros last year. 2021 Net Income Group Share benefitted from the positive impact of BIC's Clichy headquarters' sale (France).

5



2022 GROUP NON-FINANCIAL PERFORMANCE

Water consumption: There was a 19% decrease in water consumption per ton of production between 2021 and 2022. BIC production is not water intensive and most of the consumption is due to domestic use. In 2022, water management, improvement in cooling process and overall maintenance contributed to this decrease in water consumption.

Energy consumption: In terms of energy efficiency, the Group continues to progress. Over the last 10 years, energy consumption per ton of products has decreased by 10.5%. BIC launched twenty one energy efficiency projects in 2022 of which twelve were completed during the year. The projects included light bulb replacement with LED bulbs, process optimization, energy studies and new energy efficient equipment installation.

Renewable energy: In 2022, 76% of the Group's electricity was renewable. This is a slight decrease from 2021 due to an increase in the electric consumption from non-renewable sources in factories not covered by energy certificates as well as the inclusion of BIC Nigeria in the environmental reporting scope.

Greenhouse gas emissions: Total direct and indirect GHG emissions were estimated at 74,309 teqCO₂ in 2022. This represents a 11% decrease in total direct and indirect (scopes 1 and 2) GHG emissions.

Waste: There was a 2.2% decrease in the quantity of waste generated per ton of production between 2021 and 2022.

Headcount: In 2022, 63% of the headcount received training (as of December 31, 2022) with an average of 1.5 days per employee.

Diversity: In 2022, women accounted for 43% of permanent team members in the Group:

- 39% of the workforce in Europe;
- 46% in North America;
- 51% in Latin America;
- 37% in Middle East Africa;
- 42% in Asia-Pacific/Oceania; and
- 44% in India.

Health and Safety: In 2022, health and safety management systems were operational on 83% of BIC's sites.

The frequency rate of accidents resulting in lost work time for BIC employees and temporary workers increased from 1.99 to 2.09 in 2022. The development and implementation of actions plans will continue in 2023 and create a stronger safety culture and reduce this rate.

Across the full organization in 2022, there were 70 accidents involving BIC team members and external temporary workers. The incident rate for BIC team members was 0.10 in 2022.

Human Rights: 92% of the Group's Net Sales are of products produced in its factories. 60% of these factories are located in countries with no Human Rights risk according to Freedom House⁽¹⁾.

Sponsorship: In 2022, product donations and financial aid worldwide totaled nine hundred thousand euros (internal valuation), primarily in education⁽²⁾, environment and health.

Education: At end-2022, BIC estimated that 187 million children had their learning conditions improved through direct actions with children or activities with teachers and parents since 2018.

2022 GROUP PERFORMANCE BY CATEGORY

NET SALES AND INCOME FROM OPERATIONS (EBIT) BY PRODUCT CATEGORY 2021-2022

(in million euros)	Net Sales		EBIT	
	2021	2022	2021	2022
Human Expression	683.8	838.8	41.0	21.3
Flame for Life	718.5	871.6	268.5	304.0
Blade Excellence	401.2	497.0	56.2	64.1
Other Products	28.4	26.6	(5.2)	(2.8)

(1) Source: "Freedom in the World 2018", a study by the non-governmental organization Freedom House.

(2) This indicator includes all philanthropic educational actions, including those under commitment # 5.

ADJUSTED EBIT AND EBIT BY PRODUCT CATEGORY 2021-2022

(in million euros)	aEBIT		EBIT	
	2021	2022	2021	2022
Human Expression	36.8	25.4	41.0	21.3
Flame for Life	270.2	305.5	268.5	304.0
Blade Excellence	57.4	66.6	56.2	64.1
Other Products	(5.5)	(2.8)	(5.2)	(2.8)

ADJUSTED EBIT MARGIN AND EBIT MARGINS BY PRODUCT CATEGORY 2021-2022

(in %)	aEBIT Margin		EBIT Margin	
	2021	2022	2021	2022
Human Expression	5.4%	3.0%	6.0%	2.5%
Flame for Life	37.6%	35.0%	37.4%	34.9%
Blade Excellence	14.3%	13.4%	14.0%	12.9%

Human Expression – Stationery

Full Year 2022 Net Sales totaled 838.8 million euros, up 22.7% as reported, +11.8% on a comparative basis and +16.9% at constant currency. Performance was driven by high-single to double-digit in all key regions and both classic and premium segments contributed to the growth.

- **In Europe**, Net Sales grew high single digit, driven by both Western (France, UK, Iberia and Italy) and Eastern Europe (Poland, Romania) with strong results in core Writing Instruments (4-Color) and Creative expression segments (Coloring and the Intensity range). The rebound in our promotional business, BIC Graphic, coupled with a solid Back-to-School season and a double-digit increase in e-commerce sales, all contributed to growth. As we continue to strengthen our offer with increasingly consumer-centric products, we gained market share in 2022 in both core stationery and premium segments in all key countries, notably the U.K. (+2.1 pts) and France (+1.6 pts)⁽¹⁾.
- **In North America**, the US stationery market grew 0.5% in value⁽²⁾ and BIC was the clear value share winner in 2022 gaining +0.6pts in value share ahead of its peers. This outperformance was fueled by share gains in both core stationery (mechanical pencil and ball point) and added-value segments such as gel. Net Sales grew low-double digit boosted by a strong Back-to-School season (sell-in and sell-out), and the performance of our key BTS products, notably ball pen and correction.
- **In Latin America**, in Brazil, we grew Net Sales high double-digit driven by a robust Back-to-School season (sell-in

with growth in all segments from ball pen to coloring. Creative segments such as Marking and Coloring more than doubled Net Sales versus last year. Other contributors to performance included favorable pricing and strong market momentum as the stationery market grew double-digit⁽³⁾. In Mexico, Net Sales benefitted from the return to classrooms, where the market grew double digit in value and BIC gained share in key segments including correction, coloring and marking. Added-value products, successfully contributed to Net Sales with over 50% of growth, along with a solid Back-to-School season featuring impactful communication campaigns and robust e-commerce performance.

- **In India**, Cello Net Sales increased double-digit, driven by all product segments, including our premium range Butterflow, thanks to efficient brand support investments. Growth was also boosted by a continued rebound of the stationery market (up 45% in value⁽⁴⁾) and solid double-digit growth in e-commerce thanks to favorable price and mix.
- **In Middle East and Africa**, Net Sales grew double-digit driven by robust Back-to-School seasons in South Africa, the most successful one for the country in the last six years. Kenya, Morocco and Tunisia also contributed to growth with as main contributor the iconic BIC® Cristal® pen.

The Full Year 2022 Human Expression division adjusted EBIT margin was 3.0% compared to 5.4% in 2021. The decrease was driven by input cost inflation, the impact of 2022 acquisitions and investments in Brand Support, partly offset by Net Sales operating leverage and favorable fixed cost absorption.



(1) IRI YTD December 2022.

(2) YTD December 2022 - NPJ.

(3) YTD November 2022 – Nielsen, Modern Trade only 16% market coverage.

(4) Market Pulse YTD November 2022.



Flame for Life – Lighters

Full Year 2022 Net Sales stood at 871.6 million euros, up 21.3% as reported, up 10.1% on a comparative basis and up 11.2% at constant currency. Performance was driven by all key regions through the successful implementation of price increases, distribution gains and impactful advertising campaigns.

- **In Europe**, Net Sales grew low double-digit with a robust performance across the region including Western Europe and Eastern Europe, driven by the recovery in traditional channels the implementation of price increases, and efficient promotional activities. In line with our strategy to move towards a more value-driven model, our premium products such as decorated, utility lighters and DjEEP lighters successfully contributed to growth. BIC's innovative EZ Reach lighter is currently being launched progressively across Europe.
- **In North America**, in the US, BIC maintained its leadership and successfully outperformed the total Lighter market (down 9.5% in volume and 2.9% in value⁽¹⁾), gaining share in both volume (+2.3 pts) and value (+1.0 pt). BIC® EZ Reach, was a success throughout the year reaching 5.4% of market share in value (+1.1 pts versus last year), thanks to its fast-growing distribution, reaching at some key retailers 100% of its distribution capacity. In line with our *Horizon Plan* goal to address all flame occasions, we also successfully gained share in the Utility lighter segment, gaining +4.6 points in value versus three years ago, before the Covid pandemic.
- **In Latin America**, robust results contributed significantly to the division's growth with double-digit Net Sales growth. In Brazil, we outpaced the market gaining 1.8 pts in value versus 2019 (pre-pandemic)⁽²⁾, driven by distribution gains, increased visibility, and impactful media plans. Demand for decorated lighters grew, as well as for Utility lighters, which are now manufactured locally in our Manaus facility. In addition to high barriers for imported lighters and the successful implementation of price increases in 2022, the increased demand for more flame occasions fueled Net Sales growth.

The Full Year 2022 Flame for Life division adjusted EBIT margin stood at 35.0% compared to 37.6% in 2021, due to higher input cost inflation and an increase in Brand Support driven by the BIC® EZ Reach advertising campaign in the U.S. This was partially offset by Net Sales operating leverage and favorable fixed cost absorption

Blade Excellence – Shavers⁽³⁾

Full Year 2022 Net Sales were at 497.0 million euros, up 23.9% as reported, up 12.7% on a comparative basis, and up 14.6% at constant currency. Overall performance was driven by added-value segments, with strong results primarily in Europe followed by Latin America and the U.S.

- **In Europe**, BIC effectively gained share in both France (1.9 pts in value) and the UK (+0.2 pts in value)⁽⁴⁾, fueled by the success of 3-blade products in both female and male segments. Net Sales grew double digit driven by all segments (in both Flex® and Soleil® ranges) and notably 5 blade-products (Flex 5®). A continued focus on distribution gains was made, notably in Eastern countries (Romania, Poland, Greece) where we gained sizable market share through efficient promotional activities. Our more recent premium products, such as the BIC® Soleil® Click 5 and BIC® Bamboo, also successfully contributed to growth.
- **In North America**, BIC outperformed the US Disposable market (+0.3 pts in value⁽⁵⁾) driven by the Women's segment, thanks to consumer preference for our "value for money" premium shavers, namely BIC Simply Soleil (3 blade) and BIC® Soleil® Sensitive Advanced (5 blade). Our new innovative shaver, BIC® Soleil® Escape, reached already 2.7% of the Women Disposable market, a remarkable performance only one year after its launch.
- **In Latin America**, Net Sales grew double-digit, contributing significantly to the total division's growth. Our trade-up strategy in Brazil and Mexico was an accomplishment with our 3-blade offering leading to solid double-digit growth in both countries. In Brazil, BIC outpaced the market once more (+1.2 pts in value⁽⁶⁾) thanks share gains in both premium male and female products. In Mexico, BIC also gained share (+0.4 pts in value) in a market up mid-single digit in value. Sell-in performance was attributed to distribution gains in the traditional channel for BIC® Comfort 3® and efficient promotional activities for both Hybrid and Soleil ranges in Modern trade.

FY 2022 Blade Excellence division adjusted EBIT margin stood at 13.4% compared to 14.3% in 2021, driven by input cost inflation. This was partly offset by Net Sales operating leverage, and the positive contribution from BIC Blade-Tech B2B business.

Other Products

Full Year 2022 Net Sales for Other Products totaled 26.6 million euros, down 6.4% as reported and down 6.2% on a comparative basis.

Full Year 2022 Adjusted EBIT for Other Products was a negative 2.8 million euros, compared to a negative 5.5 million euros in 2021.

Unallocated costs

Adjusted EBIT for FY 2022 unallocated costs were negative 83.0 million euros, compared to negative 79.1 million euros in 2021.

(1) YTD December 2022 – IRI, estimated 70% market coverage.

(2) YTD December 2022 - Nielsen.

(3) YTD December 2022, Nielsen

(4) YTD December 2022, Nielsen.

(5) YTD December 2022 - IRI.

(6) YTD December 2022 for Brazil and Mexico – Nielsen, estimated 62% coverage.



2022 GROUP PERFORMANCE BY REGION

NET SALES BREAKDOWN BY REGION

(in million euros)	2021	2022	Change as reported	Change on a comparative basis
Group				
Net Sales	1,831.9	2,233.9	+21.9%	+11.0%
Europe				
Net Sales	570.6	636.7	+11.6%	+10.9%
North America				
Net Sales	779.0	954.9	+22.6%	+6.7%
Latin America				
Net Sales	275.9	390.6	+41.6%	+20.1%
Middle East & Africa				
Net Sales	111.7	136.4	+22.1%	+16.6%
Asia & Oceania (Including India)				
Net Sales	94.8	115.3	+21.7%	+17.0%

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES

(in %)	2021	2022
Perimeter	+2.9	+1.4
Currencies	(2.8)	+8.8
• Of which USD	(2.1)	+5.7
• Of which BRL	(0.7)	+1.3
• Of which MXN	+0.1	+0.7
• Of which CAD	+0.1	+0.3
• Of which INR	(0.1)	+0.2
• Of which RUB and UAH	(0.2)	+0.6
• Of which ZAR	+0.1	+0.0

SENSITIVITY OF NET SALES TO KEY CURRENCY FLUCTUATIONS

(in %)	2021	2022
+/-5% change in USD	+/-2.0	+/-2.1
+/-5% change in BRL	+/-0.3	+/-0.4
+/-5% change in MXN	+/-0.2	+/-0.3

Europe

Europe includes Western and Eastern Europe. In 2022, Net Sales in Europe totaled 636.7 million euros, a year-on-year increase of 10.9% on a comparative basis.

- **Human Expression:** Net Sales grew high-single digit driven by both Western and Eastern Europe, with strong results in core Writing Instruments and Creative expression segments. BIC gained market share in 2022 in both core stationery and

premium segments in all key countries, notably the U.K and France where it strengthened its #1 position during Back-to-School season, outperforming the market for the 16th consecutive year.

- **Flame for Life:** Net Sales grew high-single digit, with a robust performance across the region including Western Europe and Eastern Europe, driven by the recovery in traditional channels, the implementation of price increases, and efficient promotional activities.



- **Blade Excellence:** Net Sales grew double digit driven by all segments in both Flex® and Soleil® ranges, and notably 5 blade-products. A continued focus on distribution gains was made, notably in Eastern countries where BIC gained sizable market share through efficient promotional activities. Our more recent premium products, such as the BIC® Soleil® Click 5 and BIC® Bamboo, also successfully contributed to growth in the region.

North America

The North America region includes the United States and Canada. In 2022, Net Sales in the region totaled 954.9 million euros, up 6.7% on a comparative basis.

- **Human Expression:** Net Sales grew low-single digit driven by a strong Back-to-School season (sell-in and sell-out), and the performance of our key stationary products, notably Ball Pen and Correction. BIC gained +0.6 pts in value share ahead of its peers. This outperformance was fueled by share gains in both core stationery (Mechanical Pencil and Ball Point) and added-value segments such as Gel pens.
- **Flame for Life:** Net Sales were up high single digit and BIC maintained its leadership and successfully gained market share in both volume (+2.3 pts) and value (+1.0 pt) outperforming the total U.S. Lighter market down -2.9% in value⁽¹⁾. Added-value lighters' Net Sales grew 21% versus prior year to represent close to 50% of the total U.S. lighters' Net Sales. Our Utility pocket lighter, BIC® EZ Reach, was a success throughout the year reaching 5.4% of market share in value (+1.1pts versus last year).
- **Blade Excellence:** Net Sales grew mid-single digit. Performance was driven by the women's segment where BIC outperformed the US Disposable market thanks to the ranges BIC Simply Soleil (3 blade) and BIC® Soleil Sensitive Advanced (5 blade). Also, the new innovative shaver, BIC® Soleil® Escape, reached 2.7% of the Women Disposable U.S. market only one year after its launch.

Latin America

In 2022, Latin America Net Sales totaled 390.6 million euros, a year-on-year increase of 20.1% on a comparative basis.

- **Human Expression:** Net Sales increased double digit, benefitting from the strong market momentum post pandemic. The recovery was particularly strong in Brazil, driven by a robust Back-to-School season (sell-in) with growth in all product categories. In Mexico, Net Sales benefitted from the return to classrooms, where the market grew double digit in value and BIC gained share in key segments including Correction, Coloring and Marking.

- **Flame for Life:** Net Sales grew high-single digit supported by the increased demand for more flame occasions, combined with high barriers for imported lighters and the successful implementation of price increases. In Brazil, BIC outpaced the market gaining 1.8 pts⁽²⁾ in value versus 2019 pre pandemic, driven by distribution gains, increased visibility, and impactful media plans.
- **Blade Excellence:** Net Sales grew double digit in the region driven by the success of our trade-up strategy towards 3 blade in both Brazil and Mexico. In Brazil, we continued to gain market share in the 3-blade segment, driven by both premium male and female products. In Mexico, we also gained market share in value (+0.4 pts in value) in a growing market. Performance was attributed to distribution gains in the traditional channel for BIC Comfort 3 and efficient promotional activities for both Hybrid and Soleil ranges in Modern trade.

Middle East and Africa

In 2022, Net Sales for Middle East and Africa totaled 136.4 million euros, a year-on-year increase of 16.6% on a comparative basis.

- **Human Expression:** Net Sales grew double-digit driven by robust Back-to-School seasons in South Africa. Kenya, Morocco and Tunisia also contributed to growth with as main contributor the iconic BIC Cristal pen.

Asia and Oceania (including India)

In 2022, Net Sales for Asia Oceania (including India) totaled 115.3 million euros, a year-on-year increase of 17.0% on a comparative basis.

- **Human Expression:** In India, Cello Net Sales increased double-digit, driven by all product segments, including our premium range Butterflow, thanks to efficient brand support investments. Growth was also boosted by a continued rebound of the Stationery market (up 45% in value⁽³⁾) and solid double-digit growth in e-commerce thanks to favorable price and mix.
- **Flame for Life:** In Oceania, performance was impacted by supply issues as well as negative market trends, however BIC maintained market share.
- **Blade Excellence:** Net Sales increased, mostly driven by export sales. In Australia, BIC underperformed the declining none-refillable shaver market, hit by a tough competitive environment, but gained share in the female segment.

(1) YTD December 2022 – IRI, estimated 70% market coverage.

(2) YTD December 2022- Nielsen.

(3) Markt Pulse YTD November 2022.



5.2. FINANCIAL AND CASH POSITIONS

At the end of December 2022, the Group's Net Cash position stood at 359.9 million euros. Net Cash from operating activities was positively impacted by a strong operating cashflow of 428.0 million euros. The increase in working capital was due to higher inventory levels, of which 45 million euros of input cost inflation,

partly offset by efficient cash collection of Trade Receivables and increase in Trade Payables. Net Cash was also impacted by the acquisitions of Inkbox (February 2022), Tattly (July 2022), and AMI (September 2022).

MAIN BALANCE SHEET ITEMS

<i>(in million euros)</i>	December 31, 2021	December 31, 2022
Shareholders' equity	1,723.8	1,876.3
Current borrowings and bank overdrafts	63.9	62.9
Non-current borrowings	4.9	-
Cash and cash equivalents – Assets	468.9	416.3
Other current financial assets and derivative instruments	1.7	6.5
Net cash position ^(a)	400.1	359.9
Goodwill and intangible assets	322.1	407.4
TOTAL BALANCE SHEET	2,495.8	2,683.5

NB: SOCIÉTÉ BIC did not request any rating from any credit rating agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit rating agency.

(a) See glossary chapter 9.

CONDENSED CASH FLOW STATEMENT

<i>(in million euros)</i>	December 31, 2021	December 31, 2022
Cash flow from operations	410.3	428.0
(Increase)/Decrease in net working capital	(20.0)	(29.2)
Other operating cash flows	(109.7)	(98.8)
Net cash from operating activities ^(a)	280.6	300.0
Net cash from investing activities	57.6	(172.5)
Net cash from financing activities	(148.3)	(175.2)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	189.9	(47.6)
Closing cash and cash equivalents	468.4	415.2

(a) See glossary chapter 9.

5



5.3. DIVIDENDS

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily based on:

- Group earnings;
- its investment policy;
- balance sheet strength; as well as
- comparisons with industry peers.

BIC does not foresee a material change in this dividend distribution policy.

At the Annual Shareholders' Meeting on May 16, 2023, the Board of Directors will propose 2.56 euros of Ordinary Dividend per share for 2022. The Dividend pay-out ratio was 50% for 2021 and will be 50% for 2022.

The dividends paid for the last three fiscal years were as follows:

	Net ordinary dividend <i>(in euros)</i>	Pay-out ratio*
2021	2.15	50%
2020	1.80	51%
2019	2.45	45%

* Net ordinary dividend divided by adjusted earnings per share.

5.4. INVESTMENTS

KEY INVESTMENTS IN RECENT YEARS

Regarding industrial investments, BIC has split its manufacturing activities into two areas for several years:

- first, in continuous quality improvement for each production line, including ongoing investments in manufacturing processes and new technologies;
- second, in the specialization of focused production sites.

In 2006, it opened a distribution subsidiary in Turkey, and acquired PIMACO, Brazil's leading manufacturer and distributor of adhesive labels.

In December 2008, BIC announced its intent to acquire Antalis Promotional Products entities (Sequana group). The acquisition was completed on March 11, 2009, with an agreement for a total enterprise value of 33.5 million euros. After the purchase of Antalis Promotional Products, in June 2009, the Group announced the acquisition of Norwood Promotional Products. The acquisition was completed on July 6, 2009.

On January 21, 2009, BIC and Cello announced they had signed a definitive agreement whereby the Group acquired 40% of the Cello Writing Instrument business for 7.9 billion Indian rupees. Under the agreement, BIC had a call option in 2013 to increase its stake to 55%. This agreement was partially completed on March 5, 2009, for 3.8 billion Indian rupees.

In April 2009, BIC launched a worldwide cost reduction plan in response to the market slowdown. This initiative negatively impacted the full year 2009 EBIT by 34.4 million euros. The impact on profit was partially offset by the negative goodwill from the acquisition of Antalis Promotional Products. The net impact was 24.1 million euros.

On November 30, 2011, the Group acquired the assets of Angstrom Power Incorporated, a company specializing in the development of portable fuel cell technology.

In February 2012, the Group acquired land for the construction of a writing instrument facility in the fast-growing African and Middle-East region. Located in Tunisia (region of Bizerte). The total investment was 12 million euros.

In September 2013, the Group completed the acquisition of 40% of the final (7th) Stationery Cello Group entity for 3.7 billion Indian rupees (43.3 million euros)⁽¹⁾. On September 27, 2013, the Group announced it had exercised the call option on September 17 to increase its stake in the seven Cello Pens entities from 40% to 55% for 2.9 billion Indian rupees (35.2 million euros)⁽²⁾.

In October 2013, BIC acquired land in Nantong, China (North of Shanghai) for the construction of a Lighter facility. The total investment is around 14 million euros.

In July 2014, BIC purchased shares to increase its stake from 55% to 75% in the seven Cello Pens entities for 4.3 billion Indian rupees (approximately 53 million euros)⁽³⁾. This was as a result of the exercise by Cello Group of its put option in March 2014, allowing it to sell 20% of Cello Pens to the Group.

In October 2015, BIC presented an investment proposal intended to modernize its industrial facilities in the North of France (Pas-de-Calais). Planned for a five-year period, the project includes a 12 million euro investment to extend the production facility at Samer.

In December 2015, BIC increased its stake in Cello Pens to 100% for 5.4 billion Indian rupees (approximately 74 million euros)⁽⁴⁾.

In October 2017, the Indian subsidiary BIC Cello acquired land and buildings for a new writing instrument facility in Vapi (Gujarat state). The total investment is around 28 million euros.

On December 31, 2018, BIC announced the transfer of the manufacturing facilities of Haco Industries Kenya Ltd. in Kenya and the distribution of Stationery, Lighters and Shavers in East Africa to BIC. This acquisition is in line with BIC's continued growth strategy in Africa, one of the most promising markets for BIC® products worldwide.

On January 16, 2019, the Indian subsidiary BIC Cello inaugurated the new writing instrument facility in Vapi (Gujarat state).

On October 23, 2019, BIC completed the acquisition of Lucky Stationery in Nigeria (LSNL), Nigeria #1 Writing Instrument manufacturer. This acquisition is consistent with BIC's continued growth strategy in Africa.

On July 1, 2020 BIC acquired Djeeep. This acquisition aims to strengthen BIC's position in the pocket lighters market and offers substantial growth opportunities in Europe and North America.

On December 15, 2020, BIC acquired Rocketbook, the leading smart and reusable notebook brand in the United States, entering the Digital Writing segment, a fast-growing market.

5

(1) 84.53 INR = 1 EUR (September 13, 2013, ECB Reference rate).

(2) 83.80 INR = 1 EUR (September 26, 2013, ECB Reference rate).

(3) 81.17 INR = 1 EUR (July 4, 2014, ECB Reference rate).

(4) 72.69 INR = 1 EUR (December 08, 2015, ECB Reference rate).



On February 1, 2022, BIC completed the acquisition of Inkbox, the leading brand of high quality semi-permanent tattoos.

On August 2, 2022, BIC announced having completed the acquisition of Tattly a leading decal brand, diversifying BIC's offering in the rapidly growing Skin Creative market.

On September 6, 2022, BIC completed the acquisition in France of AMI (Advanced Magnetic Interaction), strengthening BIC's R&D capabilities in Digital Expression.

KEY INVESTMENTS IN 2022

2022 Capex totaled 96.3 million euros:

- in **Human Expression**, BIC invested mostly in new molds and machinery. The most significant investments made this year included:
 - additional production capacity for BIC® 4-Color™ in Marne-la-Vallée (France),
 - internal reintegration of the BIC® Cristal pen production in Nigeria that was done before by an external manufacturing distributor;
- in **Flame for Life**, BIC invested in new machines and molds to improve quality and productivity, accelerated investments in Sustainable Development and finalized the construction of a new storage warehouse for finished products near its Redon plant in France. BIC also invested in additional manufacturing capacity for the EZ Reach utility pocket lighter;
- in **Blade Excellence**, major investments were related to new products (notably the new BIC® EasyRinse shaver) and to the development of our new B2B business BIC Blade-Tech.

KEY ONGOING INVESTMENTS: GEOGRAPHIC DISTRIBUTION AND FINANCING METHODS

Not applicable.

KEY FUTURE INVESTMENTS

Not applicable.



FINANCIAL STATEMENT

6.1. CONSOLIDATED FINANCIAL STATEMENTS	230
1. Consolidated income statement	231
2. Consolidated statement of comprehensive income	232
3. Consolidated statement of financial position	233
4. Consolidated statement of changes in equity	235
5. Consolidated cash flow statement	236
6. Notes to the consolidated financial statements	237
6.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS	293
I. Opinion	293
II. Basis for opinion	293
III. Justification of assessments – Key audit matters	293
IV. Specific verifications	294
V. Other verifications or information resulting from other legal and regulatory obligations	294
VI. Responsibilities of management and those charged with governance for the consolidated financial statements	295
VII. Statutory auditors' responsibilities for the audit of the consolidated financial statements	295
6.3. PARENT COMPANY FINANCIAL STATEMENTS OF SOCIÉTÉ BIC (FRENCH GAAP)	297
1. Income statement	298
2. Balance sheet	299
3. Cash flow statement	301
4. Notes to the parent company financial statements	302
5. Additional information on the parent company financial statements	317
6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	318
I. Opinion	318
II. Basis for Opinion	318
III. Justification of Assessments - Key Audit Matters	318
IV. Specific Verifications	319
V. Other verifications or information resulting from other legal and regulatory obligations	320
VI. Responsibilities of Management and Those Charged with Governance for the Financial Statements	320
VII. Statutory Auditors' Responsibilities for the Audit of the Financial Statements	320
6.5. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS	322





6.1. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated income statement	231
2. Consolidated statement of comprehensive income	232
3. Consolidated statement of financial position	233
4. Consolidated statement of changes in equity	235
5. Consolidated cash flow statement	236
6. Notes to the consolidated financial statements	237



1. CONSOLIDATED INCOME STATEMENT

<i>(in thousand euros)</i>	Notes	December 31, 2021	December 31, 2022
Net sales	2-2	1,831,895	2,233,941
Cost of goods	4	(901,142)	(1,155,929)
Gross profit ^(a)		930,753	1,078,012
Distribution costs	4	(270,886)	(299,694)
Administrative expenses	4	(220,123)	(269,846)
Other operating expenses	4	(160,000)	(201,889)
Other income	5	180,372	6,655
Other expenses	5	(8,108)	(9,710)
Earnings before interest and taxes (EBIT)		452,006	303,528
Income from cash and cash equivalents	6	3,709	10,428
Net finance income/(net finance costs)	6	(7,926)	(23,330)
Income before tax		447,789	290,626
Income tax expense	7	(133,595)	(81,742)
Net income from consolidated entities		314,195	208,884
Net income from continuing operations	8	314,195	208,884
Net income from discontinued operations		-	-
Consolidated income		314,195	208,884
Of which non-controlling interests		-	-
Net income Group share	8	314,195	208,884
Earnings per share <i>(in euros)</i>		7.02	4.75
Diluted earnings per share <i>(in euros)</i> ^(b)		6.99	4.69

(a) Gross profit is the margin that the Group realizes after deducting its manufacturing costs.

(b) The dilutive elements taken into account are free shares.



**2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>(in thousand euros)</i>	Notes	December 31, 2021	December 31, 2022
GROUP NET INCOME	A	314,195	208,884
OTHER COMPREHENSIVE INCOME		-	-
Actuarial differences on post-employment benefits not recyclable to the income statement ^(a)		46,158	17,071
Deferred tax on actuarial differences on post-employment benefits	7-2	(10,543)	(4,274)
Other comprehensive income not recyclable to the income statement - net of tax	B	35,615	12,797
Gain/(Loss) on hedge derivatives		(26,523)	11,727
Exchange differences arising on translation of overseas operations ^(b)		43,868	44,447
Equity instruments at fair value		10	2
Deferred tax and current tax recognized on other comprehensive income	7-2	7,422	(2,691)
Other comprehensive income recyclable to the income statement - net of tax	C	24,777	53,485
TOTAL COMPREHENSIVE INCOME	D = A + B + C	374,587	275,166
Attributable to:			
• BIC Group		374,587	275,166
• Non-controlling interests		-	-
TOTAL		374,587	275,166

(a) The impact of actuarial differences is mainly due to U.S., France and UK plans.

(b) The main items impacting the translation reserve variance for the period, by currency, are as follows: U.S. dollar (24.5 million euros), Brazilian real (17.2 million euros) and Mexican peso (14.4 million euros).



3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

<i>(in thousand euros)</i>	Notes	December 31, 2021	December 31, 2022
Goodwill	10	256,058	297,610
Other intangible assets	11	66,032	109,782
Property, plant and equipment	9	588,799	612,632
Investment properties		1,892	1,598
Other non-current assets	12	25,788	29,736
Deferred tax assets	13	131,458	129,709
Derivative instruments	24-4, 24-5	62	3,464
Non-current assets		1,070,090	1,184,531
Inventories	14	490,222	588,257
Income tax advance payments		30,475	39,335
Trade and other receivables	14, 22-5	418,186	414,682
Other current assets		16,259	23,022
Derivative instruments	24-4, 24-5	1,694	10,802
Other current financial assets	20, 22-6	-	6,540
Cash and cash equivalents	20, 22-4	468,914	416,317
Current assets		1,425,750	1,498,955
TOTAL ASSETS		2,495,840	2,683,486



FINANCIAL STATEMENT

Consolidated financial statements

Equity and liabilities

(in thousand euros)

	Notes	December 31, 2021	December 31, 2022
Share capital	15-1	169,665	166,307
Reserves and retained earnings		1,554,155	1,709,979
Shareholders' equity Group share		1,723,820	1,876,286
Non-controlling interests		-	-
Shareholders' equity	SHEQ	1,723,820	1,876,286
Non-current borrowings	16, 22-6	23,782	42,839
Other non-current liabilities		12,866	9,338
Employee benefits obligation	18.3	80,016	57,419
Provisions	17	20,328	19,124
Deferred tax liabilities	13	68,654	73,161
Derivative instruments	24-4, 24-5	14	237
Non-current liabilities		205,660	202,118
Trade and other payables	14	149,154	181,108
Current borrowings	16	76,287	76,543
Current tax due		35,265	44,747
Other current liabilities	19	292,154	293,201
Derivative instruments	24-4, 24-5	13,499	9,483
Current liabilities		566,360	605,082
TOTAL EQUITY AND LIABILITIES		2,495,840	2,683,486

SHEQ: see consolidated statement of changes in equity.



4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousand euros)	Notes	Share capital	Accumulated profits	Additional paid in capital	Actuarial differences recognized in equity	Translation reserve	Hedge derivatives	Shareholders' equity Group share	Non-controlling interests	Shareholders' equity
At January 1, 2021		171,809	1,621,415	17,786	(111,979)	(255,486)	12,663	1,456,208	-	1,456,208
Dividends paid	21	-	(80,919)	-	-	-	-	(80,919)	-	(80,919)
Decrease in share capital		(2,742)	(36,487)	-	-	-	-	(39,229)	-	(39,229)
Treasury shares		598	(482)	-	-	-	-	116	-	116
Recognition of share-based payments	23	-	-	10,446	-	-	-	10,446	-	10,446
Hyperinflation impact in Argentina		-	2,523	-	-	-	-	2,523	-	2,523
Other		-	89	-	-	-	(1)	88	-	88
Total transactions with Shareholders		(2,144)	(115,276)	10,446	-	-	(1)	(106,975)	-	(106,975)
Net income for the period		-	314,195	-	-	-	-	314,195	-	314,195
Other comprehensive income		-	(42)	-	35,615	43,868	(19,049)	60,392	-	60,392
Total comprehensive income		-	314,153	-	35,615	43,868	(19,049)	374,587	-	374,587
At December 31, 2021		169,665	1,820,292	28,232	(76,364)	(211,618)	(6,387)	1,723,820	-	1,723,820
At January 1, 2022		169,665	1,820,292	28,232	(76,364)	(211,618)	(6,387)	1,723,820	-	1,723,820
Dividends paid	21	-	(94,744)	-	-	-	-	(94,744)	-	(94,744)
Decrease in share capital ^(a)		(2,772)	(36,403)	-	-	-	-	(39,175)	-	(39,175)
Treasury shares		(586)	(14,180)	-	-	-	-	(14,766)	-	(14,766)
Recognition of share-based payments	23	-	-	14,663	-	-	-	14,663	-	14,663
Hyperinflation impact in Argentina		-	11,391	-	-	-	-	11,391	-	11,391
Other		-	(69)	-	-	-	-	(69)	-	(69)
Total transactions with Shareholders		(3,358)	(134,005)	14,663	-	-	-	(122,700)	-	(122,700)
Net income for the period		-	208,884	-	-	-	-	208,884	-	208,884
Other comprehensive income		-	729	-	12,797	44,447	8,309	66,282	-	66,282
Total comprehensive income		-	209,613	-	12,797	44,447	8,309	275,166	-	275,166
At December 31, 2022		166,307	1,895,900	42,895	(63,567)	(167,171)	1,922	1,875,286	-	1,876,286

(a) 725,703 shares have been cancelled during the year 2022.





FINANCIAL STATEMENT

Consolidated financial statements

5. CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousand euros)</i>	Notes	December 31, 2021	December 31, 2022
Operating activities			
Net income Group share	IS	314,195	208,884
Argentina hyperinflationary accounting		1,943	7,959
Depreciation and amortization of intangible and tangible assets and investment properties	2, 4	111,794	117,201
Impairment loss on tangible and non-tangible assets	2	2	2,144
Subsidiaries acquisition costs		-	2,540
Provision for employee benefits	18	3,226	8,083
Other provisions (excluding provisions on current assets)	17	(1,683)	(1,754)
Unrealized foreign currency gain/loss	20 (a)	(1,445)	(3,315)
Hedging and derivative instruments		8,637	(5,152)
Option premium expense		491	729
Recognition of share-based payments	SHEQ, 23	10,446	14,663
Financial expense/(income)		(372)	(4,274)
Income tax expense	7	140,965	80,951
Deferred tax variation		(7,370)	791
(Gain)/loss from disposal of other fixed assets	5, 20 (b)	140	(1,431)
Gain on sale of Clichy headquarters	5, 20 (b)	(167,711)	-
Gain on disposal of Pimaco	5, 20 (b)	(3,027)	-
Cash flow from operations		410,231	428,020
(Increase)/decrease in net working capital	14, 20 (c)	(19,928)	(29,199)
Payments related to employee benefits	18-2, 20 (d)	(9,325)	(17,048)
Income tax paid		(100,421)	(81,779)
NET CASH FROM OPERATING ACTIVITIES		280,556	299,994
Investing activities			
Disposal of Pimaco		4,600	1,098
Sale of Clichy headquarters	20 (b)	127,944	-
Disposal of other fixed assets	20 (b)	6,644	2,906
Purchases of property, plant and equipment	9-1, 20 (e)	(66,178)	(83,590)
Purchases of intangible assets	11, 20 (e)	(8,691)	(12,677)
(Increase)/Decrease in other investments		408	(1,584)
Purchase of other current financial assets	20 (f)	-	(4,822)
Acquisition of subsidiaries	20 (g)	(7,154)	(73,790)
NET CASH FROM INVESTING ACTIVITIES		57,573	(172,459)
Financing activities			
Dividends paid	SHEQ, 20 (h), 21	(80,919)	(94,744)
Borrowings/(repayments)	16, 20 (i)	(11,992)	(5,015)
Interest (paid)/received		364	2,038
Payments of obligations under leases	16	(16,650)	(16,597)
Purchase of financial instruments		(222)	(877)
Increase in treasury shares	20 (j)	(38,854)	(53,828)
External loans		-	(6,152)
NET CASH FROM FINANCING ACTIVITIES		(148,273)	(175,175)
Net cash variation		189,856	(47,640)
Opening cash and cash equivalents net of bank overdrafts	BS, 16, 22	264,733	468,413
Exchange difference		13,824	(5,553)
CLOSING CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	BS, 16, 22	468,413	415,219

IS: see consolidated income statement.

SHEQ: see consolidated statement of changes in equity.

BS: see consolidated balance sheet.

References from (a) to (j) explained in Note 20.



6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General					
NOTE 1	MAIN RULES AND ACCOUNTING POLICIES	238	18-3	Funded/unfunded obligations	268
	1-1 Accounting policies	238	18-4	Period costs	268
	1-2 Change in Group structure	240	18-5	Additional information	269
	1-3 Significant events	240	18-6	Actuarial assumptions for main countries	270
	1-4 Subsequent events	241	18-7	Information by geography	271
NOTE 2	OPERATING SEGMENTS	241	NOTE 19	OTHER CURRENT LIABILITIES	272
	2-1 General information	241	FOR THE YEAR ENDED DECEMBER 31, 2022		
	2-2 Information by activity	242			293
	2-3 Information by geography	243	Additional information		
NOTE 3	EXCHANGE RATES OF FOREIGN CURRENCIES	244	NOTE 20	COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT	272
FOR THE YEAR ENDED DECEMBER 31, 2022		293	NOTE 21	DIVIDENDS	273
			NOTE 22	EXPOSURE TO MARKET RISKS	273
Income Statement and Statement of Comprehensive Income				22-1 Counterpart risk	273
NOTE 4	OPERATING EXPENSES	246		22-2 Foreign exchange risk	273
NOTE 5	OTHER INCOME AND EXPENSES	247		22-3 Interest rate risk	273
NOTE 6	NET FINANCIAL INCOME	248		22-4 Liquidity risk	274
NOTE 7	INCOME TAX	249		22-5 Credit risk	274
	7-1 Income tax expense	249		22-6 Fair value of financial assets and liabilities	275
	7-2 Deferred and current tax recognized in other comprehensive income	250		22-7 Net income impact by category of instruments	277
NOTE 8	EARNINGS PER SHARE	251	NOTE 23	SHARE-BASED PAYMENTS	277
FOR THE YEAR ENDED DECEMBER 31, 2022		293		23-1 Free share allocations with performance conditions	277
				23-2 Free share allocations without performance conditions	279
				23-3 Grant of stock option plans with performance conditions	280
Balance sheet – Assets			NOTE 24	FINANCIAL INSTRUMENTS	280
NOTE 9	PROPERTY, PLANT AND EQUIPMENT	252		24-1 Derivatives and hedge accounting	283
	9-1 Property, plant and equipment – Gross value	252		24-2 Foreign exchange risk	283
	9-2 Property, plant and equipment- Depreciation and impairment loss	253		24-3 Interest rate risk	283
NOTE 10	GOODWILL	254		24-4 Impact of foreign exchange and interest rate risk hedging on the consolidated financial statements as of December 31, 2022	284
NOTE 11	OTHER INTANGIBLE ASSETS	256		24-5 Impact of foreign exchange and interest rate risk hedging on the consolidated financial statements as of December 31, 2021	285
NOTE 12	OTHER NON-CURRENT ASSETS	258		24-6 Portfolio of foreign exchange risk hedges as of December 31, 2022	285
NOTE 13	DEFERRED TAX	258		24-7 Main balance sheet items declared in foreign currencies	286
NOTE 14	CHANGE IN NET WORKING CAPITAL	260	NOTE 25	RELATED PARTIES	287
FOR THE YEAR ENDED DECEMBER 31, 2022		293		25-1 Consolidated subsidiaries	287
				25-2 Members of the Board of Directors and of the Executive Committee	287
				25-3 Companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right	287
Balance sheet – Equity and liabilities			NOTE 26	OFF-BALANCE SHEET ITEMS	288
NOTE 15	SHARE CAPITAL	261		26-1 Sureties, deposits and guarantees received	288
	15-1 Share capital	261		26-2 Sureties, deposits and guarantees issued	288
	15-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of December 31, 2022	261		26-3 Lease arrangements	288
NOTE 16	BORROWINGS AND FINANCIAL LIABILITIES	262	NOTE 27	CONTINGENT LIABILITIES	289
NOTE 17	PROVISIONS (NON-CURRENT LIABILITIES)	264	NOTE 28	CONSOLIDATED SUBSIDIARIES	289
NOTE 18	PENSION AND OTHER EMPLOYEE BENEFITS	265	NOTE 29	AUDITORS' FEES	292
	18-1 Plan characteristics	265	FOR THE YEAR ENDED DECEMBER 31, 2022		293
	18-2 Change in the net obligation of defined-benefit plans	267			





SOCIÉTÉ BIC is a French public limited company (société anonyme), subject to the regulatory corpus governing commercial companies in France, and particularly to the provisions of the French Commercial Code. Its headquarters are located at 12, boulevard Victor Hugo, (92110) Clichy in France and the company is listed on Euronext. The principal place of business is located at the same address.

The annual consolidated financial statements reflect the accounting position of SOCIÉTÉ BIC and its subsidiaries (the "Group"). They are presented in euros and rounded to the nearest thousand. The Group's business is the production and sale of stationery, lighters and shavers.

NOTE 1 MAIN RULES AND ACCOUNTING POLICIES

Approval of the financial statements

The Group's consolidated financial statements for the year ending 2022 were approved by the Board of Directors' Meeting of February 14, 2023 and are submitted for approval to the Annual Shareholders' Meeting to be held on May 16, 2023.

1-1 Accounting policies

1-1-1 General policies

Pursuant to European regulation (EC) n° 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of the Group have been prepared in accordance with accounting principles as defined by the International Accounting Standards Board (IASB) as adopted by the European Union as of December 31, 2022.

The international standards include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

At the end of the year, the reference standards used and the standards adopted by the IASB, for which application is mandatory for the period presented, matched.

The financial statements have been prepared on a historical cost basis, except for the valuation of certain financial instruments measured at the fair value. The main accounting policies remained unchanged compared to the 2021 fiscal year, except for the following policies, effective since January 1, 2022.

1-1-2 Adoption of new and revised IFRS, interpretations and amendments

Standards, interpretations and amendments effective for periods starting January 1, 2022

The following standards and amendments, effective since January 1, 2022, were applied to the consolidated financial statements for the period ended December 31, 2022:

- Amendments to IFRS 4 – Temporary exemption from IFRS 9;
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use;
- Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous contracts – Cost of Fulfilling a Contract;
- Annual Improvements – 2018-2020;
- Amendments to IFRS 3 – Business Combinations – References to the conceptual framework;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2.

The application of these standards and amendments did not have any material impact on the Group's accounts.

Standards, interpretations and amendments with mandatory application after 2021 and adopted by the European Union

- Amendments to IAS 8 – Accounting Policy changes;
- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses;
- Amendments to IFRS 16 – Leases – Covid-19 rent relief beyond June 30, 2021.

In 2022, the Group did not elect to apply early any standard, interpretation or amendment approved by the European Union.

Standards, interpretations and amendments issued with mandatory application after 2022 but not yet adopted by the European Union that may have an impact on the Group's financial statements

- Amendments to IAS 1 – Presentation of Financial statements: Classification of Liabilities as Current or Non-current.

Analysis on the practical consequences of this new amendment is in progress.

1-1-3 Consolidation of subsidiaries

The consolidated financial statements include the financial statements of the parent company, SOCIÉTÉ BIC, and of the entities controlled by SOCIÉTÉ BIC ("its subsidiaries"). An investor controls an investee if it has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those used by other entities of the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

1-1-4 Estimates and judgments

In preparing the consolidated financial statements, the Group formulates estimates and assumptions that impact the financial statements and information in certain notes to the financial statements. The Group regularly reviews these estimates and assumptions in order to take into account past experience as well as changes in the economic environment, especially in some key countries of the Group. The results of these reviews could lead to the amounts published in future consolidated financial statements differing from those previously disclosed.



The assumptions on which the main estimates are based and the assessment made are explained in the following notes:

- Note 1.2: Change in Group structure;
- Note 10: Goodwill;
- Note 13: Deferred tax;
- Note 17: Provisions;
- Note 18: Pensions and other employee benefits;
- Note 22.6: Fair value of financial assets and liabilities;
- Note 24: Derivative financial instruments and hedge accounting.

1-1-5 Hyperinflation accounting in Turkey

Turkey is now considered as “hyperinflationary” as defined by IFRS rules.

The hyperinflation in Turkey has no significant impact on Group’s accounts.

1-1-6 Climate change and sustainable development

Climate change is one of the most important challenge of mankind in the 21st century. The Group has long committed to review, disclose and reduce its activities’ impact on the environment. These actions have been rewarded with a renewed A- grade in the leadership category of the Carbon Disclosure Project (CDP).

When preparing financial statements, the Group uses estimates and judgments for valuation and recognition of assets and liabilities. These estimates are linked to identified risks applicable to the Group’s activities. Among those, climate-change related risks are being carefully considered.

Those risks are mainly related to:

- increase in carbon-intensive raw material costs (plastic, metal, gaz and chemicals) due to energy-saving programs and other indirect costs to enable an improved access to sustainable raw material, amid global competition;

- destruction of assets linked to physical climate related event directly impacting BIC’s operations.

As part of its program “Writing the future, together” and according to the Paris Agreement, the Group has committed by 2030 to reduce its GHG compared to 2019:

- 50% for direct GHG emissions (scope 1), through the use of alternative heat sources and low impact refrigerants;
- 100% for direct GHG emissions (scope 2), thanks to renewable sourcing for all electricity consumption;
- 5% for GHG of scope 3, through the selection of suppliers of low carbon impact raw material.

In addition to strategic decision and commitments, BIC has made effective investments in 2022 to reach these objectives. The Group has put into service noticeable industrial asset in the Manaus factory. This investment, amounting 3 million euros, has led to a reduction of annual electricity consumption of 6 GWh as well as 66% reduction of cooling gas consumption, having a favorable impact on GHG emissions of scope 1.

The Management includes climate-change related risks in its business plans used in impairment tests. The Group’s commitments have not triggered any impact on impairment tests.

1-2 Change in Group structure

Accounting policies

In accordance with Revised IFRS 3 – Business Combinations, business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and, when appropriate, non-controlling interests in the acquiree are measured at either fair value or at the proportionate part in the fair value of the assets and liabilities of the acquired entity. This option is available on an individual basis for each business combination transaction.

Any share previously held in the acquiree before the takeover, should be reassessed at fair value and the corresponding profit or the loss recorded in the income statement.

Badwill is recorded immediately in the income statement.

When incurred, acquisition costs are recognized immediately as expenses, except those relating to equity instruments (which are recognized as a deduction to the Shareholders' equity).

Any potential price adjustment is estimated at fair value as of the acquisition date and this initial assessment can only later be adjusted against goodwill in the case of new information related to facts and circumstances existing at the date of acquisition and to the extent that the assessment was still described as provisional (assessment period limited to 12 months); any subsequent adjustments that do not meet these criteria are recorded as a liability or receivable through the Group income statement.

Put options granted to non-controlling interests of fully consolidated subsidiaries are considered as financial debt. The value of the debt is estimated using the formulas or prices set contractually. When utilizing formulas based upon multiples of earnings minus debt, the Group uses the actual profit/loss of the entity in the period and its debt at the closing date of the fiscal year.

The Group enters these put options as a financial debt at the present value of the put exercise price with Group Shareholders' equity as a counterparty; subsequent changes in debt are treated similarly.

Change in the consolidation scope

Inkbox

BIC has announced on February 1, 2022 that it has completed the acquisition of Inkbox Ink Incorporated for 65 million U.S. dollars (58 million euros).

This investment was fully consolidated in the financial statements as of February 1, 2022. This acquisition has been treated as a business combination.

A preliminary goodwill amounting 65.9 million U.S. dollars (58 million euros as of February 1, 2022) has been determined based on the fair value of net assets of Inkbox at the acquisition date. This amount is provisional as of February 1, 2022. The preliminary goodwill was allocated to the assets as follows:

- the Inkbox trademark amounting 24.2 million U.S. dollars, i.e. 21.5 million euros as of February 1, 2022;
- the patent and the software amounting 13.4 million U.S. dollars, i.e. 11.9 million euros as of February 1, 2022;
- a non-compete agreement amounting 1.1 million U.S. dollars, i.e. 0.9 million euros as of February 1, 2022;
- the related deferred tax liability amounting 3.9 million U.S. dollars, i.e. 3.5 million euros as of February 1, 2022.

The preliminary goodwill amounts thus 31.3 million U.S. dollars, i.e. 27.8 million euros as of February 1, 2022.

Tattly

On July 26, 2022 BIC acquired Tattly to build capabilities in skin creative in-line with our *Horizon* strategy.

The total consideration for this acquisition is not significant.

Advanced Magnetic Interaction (AMI)

On September 6, 2022 BIC acquired AMI to strengthen BIC's R&D capabilities in digital expression, one of the pillars of BIC's *Horizon* strategic plan, and will accelerate the deployment of AMI's patented technology, notably through B2B activity in digital creative and consumer electronics applications.

The total consideration for this acquisition is not significant.

1-3 Significant events

In March 2022, the new BIC headquarters has been finalized. This new lease is increasing the property, plant and equipment and the borrowings by 25 million euros following IFRS 16 (see Note 9 and Note 16).

Ukraine crisis - February 2022

The Group closely monitors the potential consequences of the Ukraine crisis, which is evolving rapidly. Our utmost priority is to help and protect our team members. An action plan has been implemented to ensure their safety.

Russia and Ukraine accounted for 2.8% of BIC's 2022 total net sales. The Group doesn't have any industrial presence in these two countries.

This crisis could affect the supply and prices of certain raw materials, and has increased the risk of cyberattack.

1-4 Subsequent events

No other subsequent event occurred between January 1, 2023 and the reporting date.

NOTE 2 OPERATING SEGMENTS

Accounting policies

IFRS 15 requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is presented in a five-step model:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract;
5. recognize revenue when (or as) the entity satisfies a performance obligation.

The impact on the consolidated financial statements is limited and concerns certain contractual clauses in the sales agreements. The main impact is related to business development funds that consist of general brand promotions or advertising services (that the Group could have also acquired from a third-party advertising supplier) and is accounted for as an operating expense instead of net sales.

2-1 General information

According to IFRS 8, the Group operating segments have been determined based on the reports regularly provided to the management and used to make strategic decisions.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements.

The management, composed of operational representatives responsible for the continents, representatives of the categories and cross-functional areas, considers the business from a product category perspective, knowing that each category can be reviewed for a specific geographic area if necessary.

These operating segments receive their revenues from the production and distribution of each product category.

Following the new organization announced at the time of BIC's transformation plan launched in February 2019, a new financial information structure was put in place starting in 2020.

The unallocated costs have been excluded from categories' income from operations and normalized income from operations, and will be presented separately:

- Human Expression;
- Flame for Life;
- Blade Excellence;
- other products;
- unallocated costs.

Unallocated costs include the following:

- net costs (balance of income and expenses):
 - corporate headquarters costs including information technology, finance, legal and HR costs,
 - shared services center costs;
- other net costs that can't be allocated to categories, notably restructuring costs, gains or losses on assets' divestiture, etc.





2-2 Information by activity

Since Q1 2021, BIC has evolved its financial communication and KPIs to adapt to the *Horizon* plan.

Normalised income from operations is replaced by adjusted EBIT. All indicators are determined according to IFRS, except for:

- adjusted income from operations, which is the EBIT restated for non-recurring items (in particular real estate gains, the gain or loss on the sale of businesses and restructuring costs).

It constitutes the key financial metrics used within the Group;

- capital additions, which are the purchases and internal generation of property, plant and equipment and intangible fixed assets for the period.

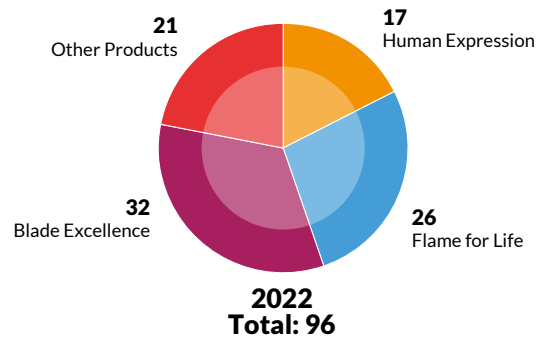
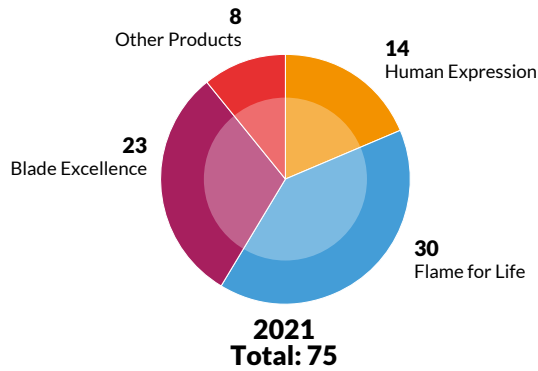
(in million euros)	At December 31, 2021						At December 31, 2022					
	Human Expression	Flame for Life	Blade Excellence	Other Products	Unallocated costs	Total	Human Expression	Flame for Life	Blade Excellence	Other Products	Unallocated costs	Total
Income statement												
• Net sales	684	719	401	28	-	1,832	839	872	497	26	-	2,234
• Depreciation and amortization	(31)	(28)	(27)	(26)	-	(112)	(35)	(29)	(32)	(21)	-	(117)
• Impairment loss	-	-	-	-	-	-	-	-	(2)	-	-	(2)
• EBIT	41	268	57	(5)	91	452	21	304	64	(3)	(83)	304
Restatements made to obtain adjusted EBIT												
• Restructuring costs	1	2	-	-	1	4	-	-	-	-	-	-
• Clichy headquarters sales capital gain	-	-	-	-	(168)	(168)	-	-	-	-	-	-
• PIMACO divestiture capital gain	(3)	-	-	-	-	(3)	-	-	-	-	-	-
• Acquisition costs / Price adjustments Rocketbook & Djeep	1	-	-	-	-	1	4	1	-	-	-	5
• Europe Pensions	(4)	-	1	-	(4)	(7)	-	-	-	-	-	-
• Ukraine impairment	-	-	-	-	-	-	-	1	2	-	-	3
Adjusted EBIT	37	270	57	(5)	(79)	280	25	305	67	(3)	(83)	312

As of December 31, 2022, BIC has not identified any customer with which it realized more than 10% of its net sales over the period.



CAPITAL ADDITIONS ^{(1) (2)} (WITHOUT RIGHTS OF USE)

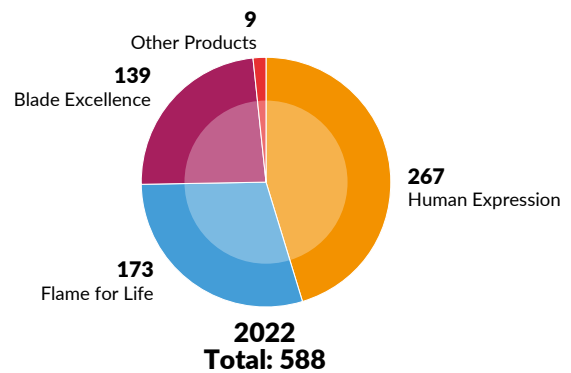
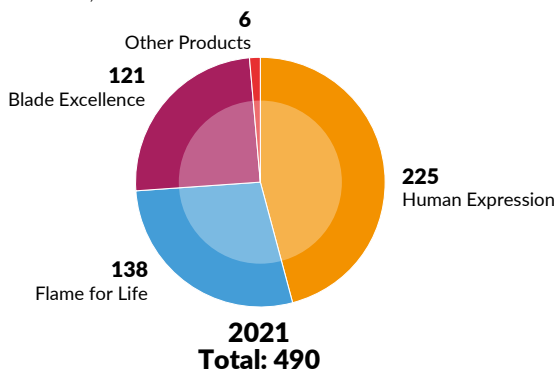
(in million euros)



- (1) Excluding 2022 capital additions not cashed out end of December 2022 and including capital additions cashed out in 2022 related to 2021 for a net amount of -2.1 million euros.
- (2) Excluding 2021 capital additions not cashed out end of December 2021 and including capital additions cashed out in 2021 related to 2020 for a net amount of + 6.1 million euros.

NET INVENTORIES

(in million euros)

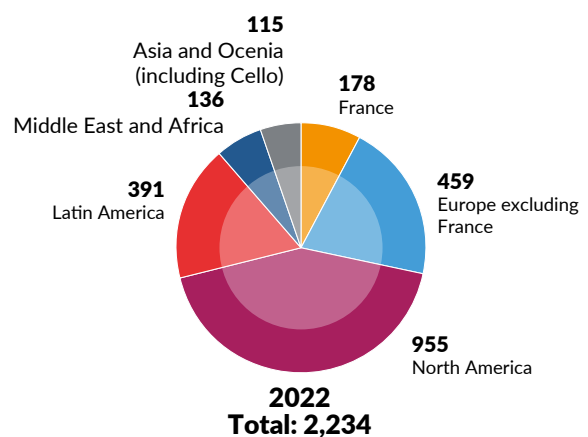
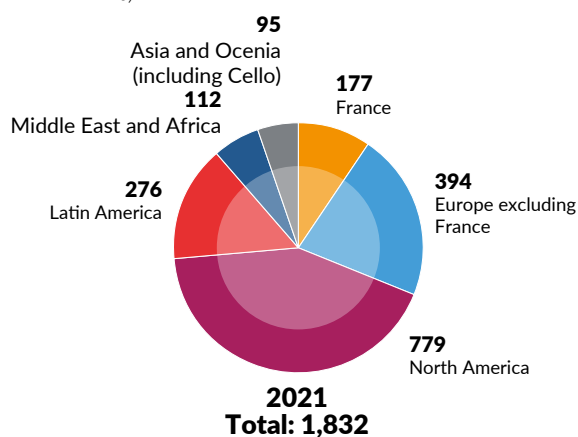


2-3 Information by geography

The regions identified by the management are the following:

NET SALES

(in million euros)

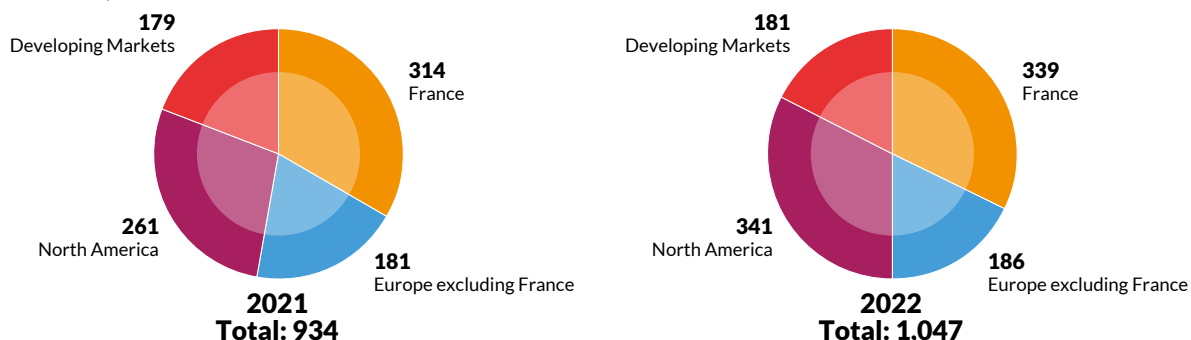




The Group may grant year-end rebates. These rebates are booked in net sales and amounted 103 million euros as of December 31, 2022 compared to 124 million euros as of December 31, 2021.

NON CURRENT ASSETS⁽¹⁾

(in million euros)



(1) Other than financial instruments (3.5 million euros in 2022 and 0.1 million euros in 2021), deferred tax assets (129.7 million euros in 2022 and 131.4 million euros in 2021) and deferred pensions (4.1 million euros in 2022 and 4.4 million euros in 2021).

NOTE 3 EXCHANGE RATES OF FOREIGN CURRENCIES**Accounting policies**

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the result and financial position of each entity are expressed in a common currency, the euro, which is the functional currency of SOCIÉTÉ BIC as well as the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each closing date, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the transaction date. Non-monetary items that are measured at fair value are translated using the exchange rates prevailing at the date of the measurement.

Exchange differences arising from the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss for the period.

To hedge its exposure to certain foreign exchange risk, the Group enters into forward contracts and options (see Note 24 for details of the Group's accounting policies regarding derivative financial instruments).

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are converted into euros using the exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized as a separate line item in equity under the Group's translation reserve and are recognized in profit or loss in the period in which the foreign operation is disposed of.



The following table shows foreign currency equivalents of one euro (for instance: average 2022 is 1 euro = 1.05 U.S. dollars).

Foreign currency	Average 2021	Average 2022	December 31, 2021	December 31, 2022
	Euro	Euro	Euro	Euro
U.S. dollar – USD	1.18	1.05	1.13	1.07
Australian dollar – AUD	1.57	1.52	1.56	1.57
Canadian dollar – CAD	1.48	1.37	1.44	1.44
Swiss franc – CHF	1.08	1.00	1.03	0.98
Chinese renminbi – CNY	7.62	7.08	7.19	7.36
British pound – GBP	0.86	0.85	0.84	0.89
Hong Kong dollar – HKD	9.19	8.25	8.83	8.32
Indian rupee – INR	87.39	82.76	84.23	88.17
Japanese yen – JPY	129.91	138.11	130.38	140.66
Korean won – KRW	1,353.80	1,357.76	1,346.00	1,344.09
Malaysian ringgit – MYR	4.90	4.63	4.72	4.70
New Zealand dollar – NZD	1.67	1.66	1.66	1.68
Philippine peso – PHP	58.27	57.33	57.76	59.32
Polish zloty – PLN	4.57	4.69	4.60	4.68
Swedish krona – SEK	10.15	10.64	10.25	11.12
Kenyan Shilling – KES	129.85	124.66	128.67	131.71
Nigerian Naira – NGN	481.54	446.03	480.35	473.57
South African rand – ZAR	17.47	17.21	18.06	18.10
Argentinian peso – ARS	116.32	188.94	116.32	188.94
Brazilian real – BRL	6.38	5.44	6.31	5.64
Mexican peso – MXN	23.99	21.19	23.14	20.86
Ukrainian hryvnia – UAH	32.90	34.33	30.94	39.39
Russian ruble – RUB	87.13	72.77	85.30	76.94

As of December 31, 2022, Argentina is still considered a “hyperinflationary” country. As a result, the Group continues to apply IAS 29.

At the closing date, non-monetary assets and liabilities are restated using the general price index IPIM (Internal Wholesale Price Index).

Income statement items are restated by applying the change in this general price index from the initial recognition of income and expense items in the financial statements.





NOTE 4 OPERATING EXPENSES

Accounting policies

Government grants are recognized in profit or loss over the periods necessary to match them with the associated costs and presented as a reduction to the related expenses.

Research expenses are recognized as expenses in the period in which they are incurred.

Operating expenses breakdown is as follow:

<i>(in thousand euros)</i>	As of December 31, 2021	As of December 31, 2022
Raw materials, consumables used and change in inventory	497,399	639,671
Staff costs	488,984	547,512
Depreciation and amortization expenses	111,794	117,201
Other operating expenses	469,110	596,841
Impairment loss on manufacturing equipment	2	42
(Profit) / loss on operational foreign currency translation	(15,137)	26,091
TOTAL	1,552,152	1,927,358

Other income and expenses are not included in the total amount and are disclosed in Note 5.

Other operating expenses mainly include outside services.

Research and development costs recognized under "Other operating expenses" for 2022 amounted to 24.1 million euros, versus 25.7 million euros during 2021.

They include the French research tax credit for 1.3 million euros, compared to 1.5 million euros in 2021.



NOTE 5 OTHER INCOME AND EXPENSES

<i>(in thousand euros)</i>	As of December 31, 2021	As of December 31, 2022
Royalty income	5	38
Gain on sale of Clichy's headquarters	167,711	-
Gain on disposal of fixed assets	2,038	1,431
France and United Kingdom favorable pensions adjustment	7,040	-
PIMACO divestiture gain	3,027	-
Other	551	5,186
Other income	180,372	6,655
Impairment	-	(2,106)
Cost reduction plans	(4,248)	-
Djeep & Rocketbook earn-out adjustment	-	(701)
Other	(3,860)	(6,903)
Other expenses	(8,108)	(9,710)
TOTAL	172,264	(3,055)

Other expenses incurred in 2022 mainly include:

- 1.4 million euros impairment of receivables and 0.7 million euros impairment of inventories which have been booked to reflect the situation in Ukraine;
- 0.7 million euros earn-out increase adjustment related to Djeep and Rocketbook acquisitions.

Other income and expenses incurred in 2021 mainly include:

- 167.7 million euros from Clichy Headquarters sale;
- 7.0 million euros of favorable pensions adjustment in France linked to the change of the collective agreement to be effective in 2024 and in the United Kingdom;
- PIMACO divestiture gain for 3.0 million euros;
- 4.2 million euros of restructuring costs, of which the transformation plan is the main driver.



NOTE 6 NET FINANCIAL INCOME

Accounting policies

Interest income is accrued on a time basis, by reference to the effective yield on the asset, namely the interest rate, which exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's initial value.

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Considering the nature of the BIC Group's activities, interest and dividends received are disclosed as financial income in the income statement.

All borrowing costs are recognized as expenses in the period in which they are incurred.

For lease contracts falling within the scope of IFRS 16, the rental expense is replaced by a depreciation charge on the right of use booked in operating expenses (see Note 4) and an interest expense recorded in financial expense.

Net financial income breakdown is as follow:

<i>(in thousand euros)</i>	As of December 31, 2021	As of December 31, 2022
Interest income from cash and cash equivalents	966	2,694
Interest on bank deposits	2,743	7,735
Income from cash and cash equivalents	3,709	10,428
Interest expense	(2,548)	(7,629)
Cost of financial debt – IFRS 16	(1,188)	(965)
Argentina hyperinflation accounting – IAS 29	(5,505)	(18,760)
Net financial foreign exchange difference	1,315	4,024
Net finance income/(net finance costs)	(7,926)	(23,330)
FINANCE (COSTS)/REVENUE	(4,217)	(12,902)

Net financial income decreased during 2022 compared to 2021. It comes from several factors:

- 2022 was more negatively impacted by Argentina hyperinflation; partly offset by:
- income from cash and cash equivalents increased compared to the previous period due to higher interest rates, thanks to the return of positive interests on currency markets, especially euro and U.S. dollar.

In fiscal year 2020, the Group has improved its access to short and medium-term liquidity through the implementation of a 3-year, 200 million euros Revolving Credit Facility (R.C.F.) and a 200 million euros NeuCP program.

To date, the R.C.F. has not yet been drawn down, and NeuCP's outstanding balance amounts to 50 million euros.

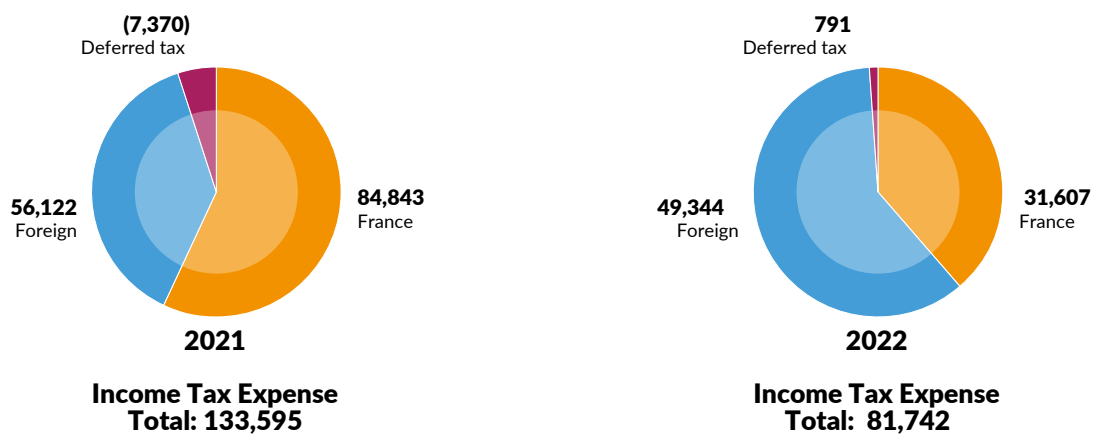
NOTE 7 INCOME TAX

Accounting policies

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable income differs from income as published in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Liability for current tax is calculated using tax rates that have been enacted as of the balance sheet date.

7-1 Income tax expense



The normal income tax rate in France is 25.83% (including social contributions) for the fiscal year 2022.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective countries.

The Group uses the French tax rate as the theoretical base for the reconciliation between the theoretical income tax expense and the effective income tax expense. Reconciliation primarily involves the effect of differences in tax rates.

The main tax consolidation groups are France and Spain.

As of December 31, 2022, the main contributors are the U.S. and Brazil. As of December 31, 2021, the main contributors were the U.S., Greece, Brazil and India.





Reconciliation between the theoretical and effective income tax expense:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Income before tax	447,789	290,626
Tax rate	28.41%	25.83%
Theoretical tax expense	127,217	75,069
Effects of:		
• differences in tax rates	(6,986)	937
• income taxed at reduced rate	(215)	(43)
• initial recognition exemptions	15,777	13,314
• intra-group accruals eliminations	(2,044)	1,010
• tax assets not recognized on tax losses	6,885	2,157
• tax assets/liabilities not recognized on prior years	998	930
• tax credits	(6,891)	(10,945)
• foreign exchange differences	(1,145)	(686)
INCOME TAX EXPENSE	133,595	81,742
EFFECTIVE TAX RATE	29.83%	28.13%

In addition, as of December 31, 2022, the Group has 61 million euros of unrecognized deferred tax assets relating to unused tax losses mostly in India, versus 47 million euros in 2021.

7-2 Deferred and current tax recognized in other comprehensive income

Accounting policies

See: Note 13

Deferred and current taxes recognized in other comprehensive income result from the following items:

December 31, 2022

<i>(in thousand euros)</i>	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	17,071	(4,274)
Other comprehensive income (2)	56,176	(2,691)
<i>Hedge derivatives</i>	11,727	(3,418)
<i>Foreign exchange impact</i>	44,447	711
<i>Other</i>	2	16
TOTAL (1)+(2)	73,247	(6,965)



December 31, 2021

<i>(in thousand euros)</i>	Other comprehensive income	Deferred taxes
Actuarial differences on defined-benefit plans (1)	46,158	(10,543)
Other comprehensive income (2)	17,355	7,422
Cash flow hedge	(26,523)	7,474
Foreign exchange impact	43,868	(52)
Other	10	-
TOTAL (1)+(2)	63,513	(3,121)

NOTE 8 EARNINGS PER SHARE

Earnings per share and diluted earnings per share correspond to the Group net income divided by the relevant number of shares.

The number of shares used to calculate the earnings per share is the weighted average number of ordinary shares outstanding during the period less the weighted average number of shares held in treasury stock by SOCIÉTÉ BIC during the period and presented as a reduction to equity.

The number of shares used to calculate the diluted earnings per share is the weighted average number of shares potentially in circulation during the period, which corresponds to the number of shares used for basic earnings per share, adjusted for the dilutive effect of free shares and stock options.

As of December 31, 2022, there are no share with relative impact and the maximum dilutive effect from unvested free shares and stock-options are around 1.3% of the share capital.

<i>(in thousand euros)</i>	As of December 31, 2021	As of December 31, 2022
Numerator		
Net income Group share from continuing operations	314,195	208,884
Denominator <i>(in number of shares)</i>		
Weighted average number of ordinary shares in circulation	44,778,191	43,974,525
Dilutive effect of free shares	175,620	600,012
Diluted weighted average number of ordinary shares in circulation	44,953,811	44,574,537
Earnings per share from continuing operations <i>(in euros)</i>		
Earnings per share from continuing operations	7.02	4.75
Diluted earnings per share from continuing operations	6.99	4.69



NOTE 9 PROPERTY, PLANT AND EQUIPMENT

Accounting policies

Land and buildings held by the Group for use in the production or supply of goods or services, or for administrative purposes, are recognized in the balance sheet at their initial acquisition cost, less any accumulated depreciation and impairment losses.

Depreciation is booked to profit or loss so as to reduce the carrying amount of assets, other than land and properties under construction, over their estimated useful life, using the straight-line method. Property, plant and equipment in the course of construction for production, rental or administrative purposes, are carried at cost, less any identified impairment loss. Depreciation of these assets, on the same basis as other property, plant and equipment, starts when the assets are ready for their intended use.

Fixtures and equipment are stated at initial acquisition cost less accumulated depreciation and impairment losses.

Leases that convey to the customer (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration fall within the scope of IFRS 16 "Leases". The lessee entities of the Group recognize a right of use under assets with a lease liability as a counterpart, for all leases.

The term used corresponds to the non-cancellable period, the periods covered by an extension option, the exercise of which is reasonably certain, and the periods covered by a termination option, the non-exercise of which is reasonably certain.

9-1 Property, plant and equipment – Gross value

<i>(in thousand euros)</i>	Land & buildings	Machinery & equipment	Construction in progress	Other fixed assets	Land & buildings – Right of use	Machinery & equipment – Right of use	Vehicles – Right of use	Other tangible fixed assets – Right of use	Total
At January 1, 2021	457,446	1,305,870	125,494	24,196	52,477	6,379	14,657	677	1,987,196
Acquisitions	1,730	13,868	56,122	85	5,153	1,114	4,129	30	82,231
Business disposal	(1,309)	(1,572)	(31)	-	-	(12)	-	-	(2,924)
Disposals/Write-offs	(32,329)	(85,564)	497	(3,118)	(4,210)	(1,177)	(4,701)	(59)	(130,661)
Constructions in progress put in use	(5,730)	55,744	(50,922)	908	-	-	-	-	-
Exchange differences	8,596	19,097	2,688	20	2,373	192	(94)	1	32,872
At January 1, 2022	428,404	1,307,443	133,848	22,091	55,793	6,496	13,991	649	1,968,715
Acquisitions	1,682	12,574	67,024	205	34,824	154	4,225	142	120,830
Business acquisition	59	352	-	-	1,648	-	-	-	2,059
Disposals/Write-offs	(1,147)	(15,939)	(4,836)	(3,766)	(1,199)	(1,303)	(2,557)	(101)	(30,848)
Constructions in progress put in use	11,210	46,095	(61,501)	4,196	-	-	-	-	-
Exchange differences	9,544	26,670	655	399	800	143	2	1	38,214
At December 31, 2022	449,752	1,377,195	135,190	23,125	91,866	5,490	15,661	691	2,098,970

9-2 Property, plant and equipment- Depreciation and impairment loss

Accounting policies

At each balance sheet date, the Group examines the carrying amount of its property, plant and equipment and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine, if applicable, the amount of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately as an expense in profit or loss.

Where an impairment loss subsequently reverses or is reduced, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount. However, the increased carrying amount should not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years.

A reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation decrease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

The depreciation method is the straight-line method, on the following basis:

- buildings: 25 years;
- fixtures, machinery and equipment: 5 to 8 years;
- vehicles: 3 to 5 years.

(in thousand euros)	Land & buildings	Machinery & equipment	Construction in progress	Other fixed assets	Land & buildings - Right of use	Machinery & equipment - Right of use	Vehicles - Right of use	Other tangible fixed assets - Right of use	Total
At January 1, 2021	265,459	1,027,197	25,987	17,164	23,923	3,677	8,967	1,449	1,373,823
Amortization for the period	15,409	72,478	-	1,460	9,995	1,447	2,718	118	103,625
Impairment loss	-	149	-	54	-	-	-	-	203
Disposals/Write-offs	(25,756)	(82,097)	-	(2,303)	(3,320)	(916)	(3,653)	(59)	(118,104)
Business disposal	(1,016)	(1,522)	-	-	-	(3)	-	-	(2,541)
Other movements	(7,879)	8,026	-	(61)	-	-	1,116	(1,114)	88
Exchange differences	4,169	15,330	1,649	379	1,246	124	(76)	1	22,822
At January 1, 2022	250,386	1,039,561	27,636	16,693	31,844	4,329	9,072	395	1,379,916
Depreciation for the period	16,272	72,597	-	2,037	13,042	1,330	3,267	96	108,641
Impairment loss	-	1,840	66	-	-	-	-	-	1,906
Disposals/Write-offs	(785)	(20,386)	-	(3,814)	(739)	(1,304)	(2,259)	(101)	(29,388)
Other movements	-	(1,249)	-	1,249	-	-	-	-	-
Exchange differences	4,729	20,693	(1,217)	362	640	82	(27)	1	25,263
At December 31, 2022	270,602	1,113,056	26,485	16,527	44,787	4,437	10,053	391	1,486,338
NET VALUE									
At December 31, 2022	179,150	264,139	108,705	6,598	47,079	1,053	5,608	300	612,632
At December 31, 2021	178,019	267,883	106,212	5,398	23,949	2,166	4,919	254	588,799

As of December 31, 2022, the gross value of fully depreciated but still used property, plant and equipment is 924 million euros.



NOTE 10 GOODWILL

Accounting policies

Goodwill arising from the acquisition of a subsidiary represents the excess of the acquisition price over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognized at the date of acquisition. Goodwill is calculated in the currency of the acquired company. It is initially recognized as an asset at historical cost and is subsequently measured less any accumulated impairment losses.

Goodwill and fair value adjustment arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

For the purpose of impairment testing, goodwill is allocated to cash-generating units ("CGU") representing the lowest level at which the goodwill is monitored at Group level. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to the reduction in the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of an activity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill breakdown is as follow:

<i>(in thousand euros)</i>	Gross value	Impairment loss	Net value
At January 1, 2021	342,552	(98,723)	243,829
Rocketbook Acquisition	2,509	-	2,509
PIMACO disposal	(3,651)	3,651	-
Exchange differences	14,946	(5,226)	9,720
At January 1, 2022	356,356	(100,298)	256,058
Inkbox Acquisition	26,861	-	26,861
Tattly Acquisition	2,280	-	2,280
AMI Acquisition	2,197	-	2,197
Exchange differences	6,433	3,781	10,214
At December 31, 2022	394,127	(96,517)	297,610

The balance, as of December 31, 2022, includes the following principal net goodwill:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
BIC CORPORATION ^(a) – Human Expression	52,352	54,911
BIC CORPORATION ^(a) – Flame for Life	41,578	43,794
BIC Viorex – Blade Excellence	70,718	71,873
Kenya – Human Expression	5,057	4,966
Nigeria – Human Expression	12,558	12,738
Djeep – Flame for Life	29,885	29,885
Rocketbook – Human Expression	26,178	27,797
Inkbox – Human Expression	-	29,306
Tattly – Human Expression	-	2,115
Advanced Magnetic Interaction – Human Expression	-	2,197
Other ^(a)	17,733	18,028
TOTAL	256,058	297,610

(a) These goodwill amounts are linked to cash-generating units represented by distribution subsidiaries.

To perform the impairment tests, the Group used the following discount and perpetual growth rates:

	Weighted average cost of capital (WACC) before tax		Perpetual growth rate	
	2021	2022	2021	2022
BIC CORPORATION				
Human Expression	9.9%	9.7%	1.5%	1.5%
Flame for Life	9.6%	9.8%	1.5%	1.5%
Cello Pens – Human Expression	14.2%	14.3%	4.0%	4.0%
BIC Viorex – Blade Excellence	13.8%	13.9%	1.9%	1.9%
Kenya – Human Expression	17.9%	19.0%	5.0%	5.0%
Nigeria – Human Expression	28.2%	29.0%	10.3%	11.5%
Djeep – Flame for Live	9.2%	9.5%	-	-
Rocketbook – Human Expression	9.1%	9.2%	1.5%	1.5%
Inkbox – Human Expression	-	17.7%	-	6.7%

Each goodwill item has been allocated to a cash-generating unit ("CGU") representing the lowest level at which goodwill is monitored by the Group.

The goodwill on BIC CORPORATION is thus allocated to cash-generating units linked to the distribution by BIC CORPORATION of stationery products and lighters.

The goodwill on Cello Pens is allocated to the cash-generating units linked to the production and distribution of stationery products by Cello and was fully depreciated.

The remaining goodwill on BIC Viorex is allocated to the cash-generating unit linked to shavers developed and/or produced by BIC Viorex and sold all over the world. This cash-generating unit also includes the portion of BIC CORPORATION goodwill allocated to shavers.

The goodwill on the Kenya subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by BIC East Africa.

The goodwill on the Nigeria subsidiary is allocated to the cash-generating unit linked to the production and distribution of stationery products by Lucky Stationery Limited.

The goodwill on Djeep is allocated to the cash-generating unit linked to the production and distribution of lighters by Djeep.

The goodwill on Rocketbook is allocated to the cash-generating unit linked to the distribution of the Core and Fusion notebooks, reusable notebooks used with erasable pens by Rocketbook.

The goodwill generated on Inkbox is allocated to the cash-generating unit linked to the distribution of semi-permanent tattoos by Inkbox.

As every year, as of June 30, 2022, the Group performed annual impairment tests on these goodwill amounts.

The goodwill impairment test methodology is based on a comparison between the recoverable amount of each of the Group's cash-generating units and the corresponding assets' net book value (including goodwill).

Such recoverable amounts correspond to the value in use and are determined using discounted future cash flow projections over a maximum of five years and a terminal value using the perpetual annuity method, including notably the following:

- the discount rate before taxes used is the weighted average cost of capital. Particular attention has been paid to the analysis of the main market items used for the calculation of the discount rates;
- the perpetual growth rates were determined based on external (inflation rate) and internal (business growth) sources. Perpetual growth rates above 2% take into account market specifics, notably in Nigeria, Kenya and in India.

Considering the impairment on part of the assets on the CGU Cello, any negative variance of drivers (performance and perpetual growth rates) or positive variance (of driver discount rate) would lead to an additional impairment of other assets.

The sensitivity of the other impairment tests to changes in the key assumptions indicates that no reasonably likely change would lead to impairment, taking into account the observed headroom on the other tests conducted.



NOTE 11 OTHER INTANGIBLE ASSETS**Accounting policies****Internally-generated intangible assets – research and development expenditure**

Internally-generated intangible assets are amortized on a straight-line basis over their estimated useful life.

When the requirements for recognition of internally-generated intangible assets are not satisfied, development expenditure is charged to profit or loss in the period in which it is incurred.

Patents, trademarks, licenses and software

Patents, trademarks, licenses and softwares are measured initially at purchase cost less accumulated amortization and impairment loss. Amortization is booked to profit or loss so as to reduce the carrying amount of assets over their estimated useful life, using the straight-line method.

Impairment of intangible assets (excluding goodwill)

See Note 9.2

<i>(in thousand euros)</i>	Software	Trademarks & patents	Research & development	Intangible assets in progress	Other	Total
GROSS VALUE						
At January 1, 2021	69,086	105,847	4,077	10,566	23,478	213,054
Acquisitions	404	66	-	8,216	5	8,691
Disposals/Write-offs	(1,655)	-	-	(2)	34	(1,623)
Business disposal	(465)	(2,607)	-	-	-	(3,072)
Constructions in progress put in use	7,110	-	-	(6,778)	(332)	-
Exchange differences	1,606	5,819	190	56	735	8,406
At January 1, 2022	76,086	109,125	4,267	12,058	23,920	225,456
Acquisitions	307	47	-	12,229	95	12,678
Inkbox – Acquisition of subsidiaries	2,121	31,029	-	-	961	34,111
AMI – Acquisition of subsidiaries	-	-	1,005	-	-	1,005
Disposals/Write-offs	(129)	(1)	-	-	-	(130)
Constructions in progress put in use	5,684	-	-	(5,733)	49	-
Exchange differences	2,895	4,833	153	99	13	7,993
At December 31, 2022	86,964	145,033	5,425	18,653	25,038	281,113

<i>(in thousand euros)</i>	Software	Trademarks & patents	Research & development	Intangible assets in progress	Other	Total
AMORTIZATION AND IMPAIRMENT LOSS						
At January 1, 2021	61,809	77,602	4,077	-	3,569	147,057
Amortization for the period	5,096	761	-	-	2,205	8,062
Disposals/Write-offs	(1,523)	(14)	-	-	-	(1,537)
Business disposal	(442)	(20)	-	-	-	(462)
Other movements	-	-	-	-	-	-
Exchange differences	1,545	4,471	190	-	98	6,304
At January 1, 2022	66,485	82,800	4,267	-	5,872	159,424
Amortization for the period	5,793	1,099	152	-	1,395	8,439
Disposals/Write-offs	(112)	-	-	-	-	(112)
Exchange differences	1,754	1,762	153	-	(89)	3,580
At December 31, 2022	73,920	85,661	4,572	-	7,178	171,331
NET VALUE						
At December 31, 2022	13,044	59,372	853	18,653	17,860	109,782
At December 31, 2021	9,601	26,325	-	12,058	18,048	66,032

Software

Internally-generated software is principally related to investments linked to the upgrade of information technology systems.

Trademarks and patents

Following the acquisition of Inkbox in 2022, purchase price allocation work was performed and enabled the identification of intangible assets amounting to 38.7 million U.S. dollars (36.3 million euros at December 31, 2022), mainly trademark for an amount of 24.2 million U.S. dollars (22.7 million euros at December 31, 2022) and the patents and softwares amounting

13.4 million U.S. dollars (12.6 million euros as of December 31, 2022). These assets were allocated to the cash-generating unit constituted by the subsidiary Inkbox.

The main trademarks booked in the balance sheet as of December 31, 2022 are the Inkbox® trademark for 22.7 million euros, Rocketbook® trademark for 13.9 million euros, and the Cello® trademark for 9.7 million euros.

These trademarks have an infinite lifetime. For impairment test purposes, they are linked to the Rocketbook and Cello Pens subsidiaries' cash-generating units. With regard to the latter, an impairment amounting to 14.9 million euros was recognized as of June 30, 2020, and in the amount of 21 million euros in 2019.



NOTE 12 OTHER NON-CURRENT ASSETS

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Guarantee deposits	3,519	5,319
Deferred pensions	4,398	4,056
Deferred compensation in the U.S. (other than pensions)	10,412	5,598
Other non-current assets	7,459	14,763
TOTAL	25,788	29,736

NOTE 13 DEFERRED TAX**Accounting policies**

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases using the balance sheet liability method, and tax rates enacted or nearly enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that profits will be available against which deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures and branches, except when the date on which temporary differences will be reversed can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the periods when the liability will be settled or the asset realized.

Deferred tax is charged or credited to profit or loss in the period, except when it relates to a transaction or an event directly credited or charged to equity, in which case the deferred tax is also recognized in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions relating to IAS 12 income taxes are recognized as deferred tax liabilities (respectively assets) or as current tax liabilities if it is considered probable that the tax authorities will reject (accept) the position.

Deferred tax breakdown is as follow:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Deferred tax assets	131,458	129,709
Deferred tax liabilities	(68,654)	(73,161)
NET POSITION	62,804	56,548

The movement for the year in the Group's deferred tax position was as follows:

<i>(in thousand euros)</i>	Notes	December 31, 2022
Net position at January 1, 2022		62,804
Deferred tax income/(expense) for the period ^(a)	CF	(791)
Inkbox acquisition		(3,467)
Booked in Shareholders' equity and other comprehensive income		(7,083)
Exchange differences		5,085
Net position at December 31, 2022		56,548

<i>(in thousand euros)</i>	Notes	December 31, 2021
Net position at January 1, 2021		53,388
Deferred tax income/(expense) for the period ^(a)	CF	7,370
PIMACO divestiture		639
Reclassification from current to deferred tax in the balance sheet		1,375
Booked in Shareholders' equity and other comprehensive income		(3,133)
Exchange differences		3,165
Net position at December 31, 2021		62,804

(a) Excluding amounts booked to uncertain tax treatment.

ORIGIN OF DEFERRED TAX

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Pension and other employee benefits	18,652	21,559
Intra-Group profit elimination	29,482	26,184
Tax losses carried forward	126	3,869
Other temporary differences	57,396	44,158
Uncertain tax treatment	(42,853)	(39,222)
NET DEFERRED TAX	62,804	56,548



NOTE 14 CHANGE IN NET WORKING CAPITAL

Accounting policies

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct raw material costs and, where applicable, direct labor costs, as well as those overheads that have been directly incurred in bringing the inventories to their present location and condition. Cost is generally calculated using the weighted average cost method. Net realizable value represents the estimated selling price in the normal course of business less all estimated costs of completion and costs to be incurred in the sale (marketing, selling and distribution).

Impairment of financial assets (particularly trade receivables) is based on expected credit losses (no longer on observed losses), starting from initial recognition.

To determine the expected credit losses, the Group uses the simplified method, thus a provision matrix based on its historical observed default rates over the expected remaining life of the trade receivables, which is adjusted for forward-looking estimates.

Trade payables are initially measured at fair value.

Change in net working capital breakdown is as follow:

(in thousand euros)	December 31, 2021	Cash flows impact Operating	Cash flows impact Investing ^(a)	Price adjustment DjEEP	Acquisitions ^(b)	Price adjustment & earn-out clauses Rocket-book	Argentina hyper-inflation	Cash received from Pimaco sale	External loans	Reclassification Provision from LT to ST	Foreign exchange and other	December 31, 2022
Net inventory	490,222	74,727	-	-	1,970	-	732	-	-	-	20,606	588,257
• Inventory – Gross value	506,151	76,266	-	-	1,970	-	732	-	-	-	20,853	605,973
• Inventory – Impairment	(15,930)	(1,539)	-	-	-	-	-	-	-	-	(247)	(17,715)
Trade and other receivables	418,186	(15,134)	-	-	796	-	-	(1,098)	-	-	11,933	414,682
Trade and other payables	(149,154)	(27,538)	2,105	-	(1,822)	-	-	-	-	-	(4,699)	(181,108)
Other receivables and payables ^(c)	(270,943)	(2,856)	-	410	(1,721)	7,883	-	-	6,152	(340)	2,200	(259,215)
NET WORKING CAPITAL	488,311	29,199	2,105	410	(777)	7,883	732	(1,098)	6,152	(340)	30,040	562,617

(a) Cash flows impact Investing includes capital additions cashed out in 2022 relating to 2021 and excludes 2022 capital additions not yet cashed out.

(b) Acquisitions detail	Inkbox	Tattly	AMI
Net inventory	1,320	264	386
• Inventory – Gross value	1,320	264	386
• Inventory – Impairment	-	-	-
Trade and other receivables	208	40	547
Trade and other payables	(833)	(50)	(939)
Other receivables and payables	(1,739)	26	(8)
NET WORKING CAPITAL	(1,043)	280	(14)

(c) Other receivables and payables are composed of:	Notes	December 31, 2021	December 31, 2022
Other current assets	Asset	16,259	23,021
+ Other non-current assets	Asset	25,736	29,680
- Guarantee deposits	12	(3,520)	(5,321)
- Deferred pensions	12	(4,398)	(4,056)
- Other current liabilities	Liabilities	(292,155)	(293,201)
- Other non-current liabilities	Liabilities	(12,866)	(9,338)
TOTAL		(270,943)	(259,215)

The working capital is used to finance the Group's operating cycle. Details of the elements used in the calculation are presented above.

NOTE 15 SHARE CAPITAL

15-1 Share capital

(in thousand euros)	December 31, 2021	December 31, 2022
Authorized, issued and fully paid-up share capital	170,670	167,898
Repurchase of shares of the Company	(1,004)	(1,591)
SHARE CAPITAL	169,665	166,307

As of December 31, 2022, the share capital of SOCIÉTÉ BIC was 167,897,503.32 euros divided into 43,952,226 shares of 3.82 euros each. Nominative shares held for more than two years carry double voting rights.

In addition, SOCIÉTÉ BIC holds 416,605 treasury shares, acquired at an average price of 68.83 euros in accordance with Article L. 225-209 of the French Commercial Code, which represent 0.95% of the share capital.

The share capital breakdown is shown in section 7.3 "Shareholding" of the Universal Registration Document.

15-2 SOCIÉTÉ BIC shares held in treasury stock and share repurchase program as of December 31, 2022

Purpose of the repurchase	Number of shares	Average acquisition price (in euros)	% of the share capital
Liquidity agreement ^(a)	23,338	63.47	0.05%
Free share grants ^(a)	393,267	69.15	0.89%
TOTAL	416,605	68.83	0.95%

(a) Article L. 225-209 of the French Commercial Code.

In accordance with the liquidity agreement, transferred by Natixis to ODDO on June 27, 2018, in respect of SOCIÉTÉ BIC shares, as of December 31, 2022, the liquidity account contained the following:

- 23,338 BIC shares;
- 1,588,633 euros.

At initial contract set-up, the liquidity account contained the following:

- 2,312 BIC shares;
- 912,744.48 euros.

SOCIÉTÉ BIC obtained authorization from the Annual Shareholders' Meeting on May 19, 2021, to renew its share repurchase program (see 2021 Universal Registration Document, chapter 8, p. 304).



Number of shares purchased in 2022 ^(b)

• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 19, 2021	454,743
• Share repurchase program authorized by the Annual Shareholders' Meeting held on May 18, 2022	550,350
Average share repurchase price for the purchases during the year 2022 (in euros)	54.23

(b) Excluding shares repurchased under the liquidity contract.

During the first semester 2022, SOCIÉTÉ BIC cancelled 725,703 shares.

To the best of the Company's knowledge, as of December 31, 2022, Shareholders holding respectively more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	At December 31, 2022	
	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	29.32%	39.67%
Bich family	16.33%	21.93%
Silchester International Investors*	8.21%	5.56%

* based on December 28, 2022 numbers of shares and voting rights (AMF disclosure)

NOTE 16 BORROWINGS AND FINANCIAL LIABILITIES

(in thousand euros)	Bank overdrafts	Short-term borrowings	Current borrowings and financial liabilities	Non-current borrowings and financial liabilities	Current lease liability	Non-current lease liability	Total
At January 1, 2021	1,011	75,000	1,174	4,710	12,792	23,275	117,961
Cash Flows	(525)	(16,000)	4,008	-	(15,817)	(832)	(29,167)
"Non cash" changes	15	-	(817)	186	15,448	(3,557)	11,275
• Variations in obligations under leases	-	-	-	-	15,069	(4,350)	10,719
• PIMACO disposal	-	-	-	-	(6)	(3)	(9)
• Exchange difference	15	-	(817)	186	385	796	565
At January 1, 2022	501	59,000	4,364	4,896	12,422	18,886	100,069
Cash Flows	593	(9,000)	9,011	(5,026)	(15,360)	(1,396)	(21,178)
"Non-cash" changes	5	-	(1,532)	130	16,539	25,349	40,491
• Variations in obligations under leases	-	-	-	-	15,848	23,556	39,404
• Change in scope	-	-	-	-	379	1,269	1,648
• Exchange difference	5	-	(1,532)	130	312	524	(561)
At December 31, 2022	1,099	50,000	11,843	-	13,601	42,839	119,382

Bank overdrafts are due within one year.

Bank loans and financial liabilities come due as following:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
On demand or within one year	63,263	61,843
In the 2 nd year	-	-
In the 3 rd year	4,896	-
TOTAL	68,159	61,843

Main bank loans/credit lines and financial liabilities are as follows:

Borrowing country <i>(in thousand euros)</i>	Currency	Euros equivalents	
		December 31, 2021	December 31, 2022
• France	EUR	59,000	50,140
• Turkey	TRY	1,696	3,443
• Kenya	KES	4,896	-
• Nigeria	NGN	-	845
• India	INR	2,567	7,415
TOTAL		68,159	61,843

Information on interest rates

As of December 31, 2022, outstanding loans and credit lines, apart from NeuCP bonds, were contracted with floating rates ranging between 7.76% and 25.28%.

The borrowings indicated for France consist exclusively of NeuCP bonds, issued on average at 1.976%.

Relative exposure, deemed not significant, has not been hedged.

Information on covenants

None of the current loans contains any covenant that could trigger early repayment of the debt.

IFRS 16 Liability

BIC has opted to use an incremental borrowing rate for discounting debt. The rate used for each lessee is the rate he would have to pay to borrow, over a similar period and with similar security, the funds necessary to obtain an asset of similar value to the leased asset in a similar economic environment.

Lease payment under IFRS 16 in 2022

Lease payments in 2022 in respect of leases falling within the scope of IFRS 16 for an amount of 18.7 million euros break down as follows:

- Depreciation: 17.7 million euros;
- Interest: 1 million euros.

Cash Flows for future years

The Group is expected to pay 15.4 million euros in 2023.

Expected total lease payments, in thousand of euros, are as follows:

2023	15,356
2024	13,333
2025	8,982
2026	6,330
2027	5,278
Beyond 2027	12,088



NOTE 17 PROVISIONS (NON-CURRENT LIABILITIES)**Accounting policies**

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that an economic outflow will be required to settle said obligation and such outflow can be reliably measured. Provisions will be measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, and will be discounted to present value where the effect is material.

Provisions breakdown is as follow:

<i>(in thousand euros)</i>	Tax and social risks and litigation	Litigation	Product liability	Other risks and charges	Total
At January 1, 2021	3,845	13,375	311	8,029	25,560
Additional provisions	985	5,289	-	362	6,636
Reversals of provisions utilized	(821)	(3,575)	-	(1,798)	(6,194)
Reversals of provisions not utilized	(889)	(305)	-	(820)	(2,014)
Exchange differences	(6)	464	26	(39)	445
PIMACO disposal	(9)	(492)	-	-	(501)
Reclassification	-	(2,098)	-	(1,395)	(3,493)
Discount	-	-	-	(111)	(111)
At January 1, 2022	3,105	12,658	337	4,228	20,328
Additional provisions	1,744	4,515	-	1,325	7,585
Reversals of provisions utilized	(1,055)	(3,974)	-	(895)	(5,924)
Reversals of provisions not utilized	(209)	(2,896)	-	(157)	(3,261)
Exchange differences	186	573	20	(527)	251
At December 31, 2022	3,734	10,913	356	4,119	19,124

Tax (excluding income tax) and social risks and litigation

Provisions for tax (excluding income tax) and social risks and litigation relate mainly to:

- tax risks;
- U.S. workers' compensation.

Uncertain tax positions relating to IAS 12 income taxes are recognized as deferred tax liabilities if it is considered probable that the tax authorities will reject the position (see Note 13).

Tax audits are carried out regularly by local tax authorities which may dispute positions taken by Group subsidiaries. In accordance

with the Group's accounting policies, it may be decided to record provisions when tax-related risks are considered likely to generate a payment to local tax authorities.

The Group reviews the evaluation of all its tax positions on a regular basis, using external counsels and considers that its tax positions are adequately provided for. However, the Group cannot predict the ultimate outcome of future audits.

Litigation

As of December 31, 2022, the litigation provision mainly represents distributor and commercial agent risks.

NOTE 18 PENSION AND OTHER EMPLOYEE BENEFITS

Accounting policies

Pursuant to IAS 19 "Employee Benefits", the Group's employees commitments regarding post employment benefits are valued by independent actuaries.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit plans are dealt with as payments to defined contribution plans where the Group's obligation under these plans are equivalent to those arising in defined contribution retirement benefit plans.

For defined benefit retirement plans, the amount of provision is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. All actuarial differences are recognized in other comprehensive income in the period in which they occur. Past service costs are recognized for their full amount as a component of cost of services (in the income statement), whether benefits are vested definitively to their beneficiaries or are being acquired.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any net asset resulting from this calculation is limited to the present value of available refunds and reduction in future contributions to the plan.

Turnover rate is calculated by taking the number of departures including contractual terminations and dismissals during the year divided by the headcount as of January 1.

18-1 Plan characteristics

Types of post-employment benefits and other long-term benefits

Pursuant to the laws and practices in force in the countries where it operates, the Group has obligations in terms of employee benefits, in particular post-employment benefits:

- **In the U.S.**

Two pension plans ("Salaried Pension Plan" and "Local 134L Pension Plan") are effective (depending on the site) and are funded by their respective pension funds. In addition to these plans, medical and life insurance plans exist ("Salaried Retiree Medical and Life Insurance Plan" and "Local 134L Retiree Medical and Life Insurance Plan" depending on the site):

- a. *Salaried Pension Plan*

Retirement benefits under a combined average reference salary and years of service formula and including Social Security retirement benefits will be granted to beneficiaries hired prior to 2007. The formula provides for a life annuity, payable at normal retirement age (65), equal to 1.1% of the Social Security ceiling plus 1.5% of average pay in excess of the Social Security ceiling, multiplied by the number of years of service, which may not exceed 35 years, plus 1.4% of average pay per year of service in excess of 35 years (average pay is based on the highest three consecutive years within the last 10 years). In addition, the Plan provides reduced early retirement benefits for beneficiaries who retire prior to age 65 (or age 62 if they retire at or after age 55 with 10 or more years of service). Eligible beneficiaries who retire after January 1, 2015 are eligible for a lump sum payment from the plan.

Benefits under a Cash Balance Arrangement are granted to employees hired starting 2007. These participants receive annual credits of 5% of their year's pay for plan years before January 1, 2013, and for plan years after December 31, 2012, eligible beneficiaries receive annual credits of 5% per year for less than five years of service, 6% per year for at least five but

less than 10 years of service, 7% per year for at least 10 but less than 15 years of service, 7.5% for at least 15 but less than 20 years of service and 8% for 20 or more years of service, which are accumulated with guaranteed interest equal to 30-year Treasury rates, to retirement. Participation in this plan is closed for BIC Graphic employees hired after January 1, 2011. The Plan is subject to minimum legal funding requirements.

On July 29, 2020, the Company announced a change to the salaried pension benefit for active team members hired prior to January 1, 2007. The BIC Corporation Salaried Pension Plan final average earnings formula was frozen on December 31, 2020 and future pension benefits for these team members will be accrued under the BIC Corporation Salaried Pension Plan Cash Balance formula (same formula used for team members who joined BIC after January 1, 2007).

The long-term objective of the Plan's investment policy is to provide sufficient funding to cover expected benefit obligations, while assuming a prudent level of portfolio risk relative to the Plan's liability. The Plan's assets are invested in the BIC Corporation Master Trust - with a target asset allocation of 20% equities and 80% fixed income.

- b. *Local 134L Pension Plan*

For beneficiaries hired before December 4, 2007, benefits under the Plan are based on a participant's years of service multiplied by a fixed set amount (47.00 U.S. dollars per month for 2020, 47.25 U.S. dollars per month for 2021 and 47.50 U.S. dollars per month for 2022 and 47.75 U.S. dollars per month from January 1, 2022).

Employees hired after December 4, 2007 accrue benefits under a Cash Balance Arrangement. These participants receive annual credits equal to 3.00% of pay through November 30, 2012, 3.75% of pay from December 1, 2012 through November 30, 2017, 4.75% of pay beginning on December 1, 2017 and 5% of pay beginning on December 1, 2020, which are accumulated with interest, equal to 30-year Treasury rates, to retirement.



These two schemes are subject to American legal minimum funding requirements.

The long-term objective of the Plan's investment policy is to provide sufficient funding to cover expected benefit obligations, while assuming a prudent level of portfolio risk relative to the liability. The Plan's assets are invested in the BIC Corporation Master Trust – with a target asset allocation of 10% equities, and 90% fixed income.

c. Salaried Retiree Medical and Life Insurance Plan

Employees hired prior to 2007 benefit from medical coverage for their entire retirement if they are at least 55 and have 20 or more years of service at retirement. The Plan is closed to new employees. Effective October 1, 2013, as part of an exchange, certain covered retirees and future retirees, age 65 and over, are granted a fixed payment of 3,500 U.S. dollars annually to purchase retiree medical coverage. This amount was increased to 4,020 U.S. dollars on January 1, 2019. This benefit will be reviewed in the future to reflect the upward trends in healthcare costs.

Retiree life insurance is available to employees who retire at or after age 55 with 10 or more years of service. Employees hired on or after January 1, 2018 are no longer eligible for this benefit. The death benefit is equal to 100% of final salary with a cap ranging from 10,000 U.S. dollars for non-managerial employees to 100,000 U.S. dollars for BIC level 4s and above.

On July 29, 2020, the Company announced changes to the salaried retirement benefits for active team members who were eligible for retiree medical and retiree life insurance benefits. With limited exceptions, if active team members leave BIC after December 31, 2021, they will no longer be eligible for these benefits.

The Plan does not have any assets.

d. Local 134 I Retiree Medical and Life Insurance Plan

Employees who retire at or after age 60 with 10 or more years of service are eligible to receive medical and life insurance coverage throughout their retirement.

Retirees prior to December 1, 2002 are granted fixed annual payments ranging from 2,600 U.S. dollars to 3,500 U.S. dollars to purchase retiree medical coverage. Post-age 65 retirees who retire on or after December 1, 2002, receive a fixed annual payment of 900 U.S. dollars to purchase prescription drugs. The amounts will be reviewed in the future to reflect the upward trends in healthcare costs. The Plan is closed to new employees hired after November 30, 2012.

For pre-age 65 eligible retirees and spouses, BIC pays 50% and the retiree pays 50% of the premium.

Retiree life insurance benefits include a death benefit of 12,500 U.S. dollars for employees who retire on or after December 1, 2017.

The Plan does not have any assets.

• In the United Kingdom

There is a closed defined-benefit plan which is not accessible to a specified list of beneficiaries (plan closed to new entrants) and closed to the acquisition of further rights. An independent professional Trustee, an employer-representative Trustee and an employee-representative Trustee oversee the governance of the scheme. Plan assets are currently invested in a portfolio of stocks, bonds and real estate. Asset allocation is reviewed regularly to ensure that the assets held are still appropriate and sufficient to cover future pension obligations.

Both schemes are subject to the same risks as the majority of final salary occupational pension schemes, *i.e.* inflation risks, investment risks, life expectancy risks, etc. The strategic asset allocation must comply with the investment guidelines laid out in the "Statement of Investment Principles" set up by the Trustee to limit the risks.

• In France

In France, employee benefit commitment is composed of an indemnity on retirement leave and jubilee.

The amount of the indemnity is determined by the applicable national collective bargaining agreement and is expressed in a number of months salary, based on company seniority at date of retirement. BIC is responsible for the payment of the indemnity only if the employee is working for the company at the time of retirement.

• In Canada

The Plan is funded chiefly through employer contributions and investment earnings on Plan assets. Prior to 1992, beneficiaries were required to contribute to the Plan, however since January 1, 1992 they are no longer required or permitted to make contributions to the Plan. BIC Inc. contributions to the Plan comply with the minimum funding requirements of the "Pensions Benefits Act of Ontario".

The Pension fund set up to finance the retirement scheme for employees of BIC Inc. is held by an Independent Trust in the interests of beneficiaries. This fund is not part of the income or assets of BIC Inc.

This Plan is closed to new employees hired after November 14, 2011.

For hourly paid employees, the retirement benefit is defined as a fixed amount per year of service, whose value varies according to the date on which the beneficiary retires (400 Canadian dollars per year for retirement after January 1, 2010). For employees receiving a regular salary, the formula for calculating the retirement benefit is 1.5% of final average salary per year of service (the calculation of the final average salary is based on the highest three consecutive years out of the last 10 years preceding retirement). The total benefit under the Plan is capped by the limits imposed by the income tax act in Canada. The normal retirement age is 65, however beneficiaries can retire from age 55, with a reduced benefit for early retirement. The benefit is unreduced at age 63 for members who commence their pension immediately following employment at BIC.

To monitor and control the performance of the Fund, BIC Inc. and the Investment Manager must comply with the objectives set out in the "Statement of Investment Policy and Objectives". The basic goal underlying the establishment of these guidelines is to ensure that the Fund assets, together with the expected contributions and investment returns, are invested in a prudent manner so that the Fund can meet the obligations of the Plan as they come due.

The long-term investment strategy is to invest approximately 48% in bonds, 10% in Canadian equities, 30% in global equities, 10% in emerging markets equities and 2% in cash and cash equivalents.

- **For other countries**, the plans depend on local legislation, the activity and other historical practices of the subsidiary.

18-2 Change in the net obligation of defined-benefit plans

<i>(in thousand euros)</i>	Pension	Including United States Pension	Other employee benefits	Including other employee benefits in the United States	Total employee benefits	Including total employee benefits in the United States
PRESENT VALUE OF OBLIGATION						
At January 1, 2022	447,281	337,865	85,852	85,660	533,133	423,525
Reclassification	(145)	-	145	-	-	-
Period costs:	17,506	12,862	3,023	2,830	20,528	15,692
• Current service costs	7,264	3,631	(399)	467	6,866	4,098
• Past service costs (including curtailment)	(1,595)	-	1,034	-	(561)	-
• Settlement	319	-	-	-	319	-
• Interest costs	11,518	9,232	2,388	2,363	13,905	11,594
Benefits paid	(44,736)	(39,531)	(4,128)	(4,012)	(48,865)	(43,543)
Actuarial difference on gross obligation	(105,501)	(77,075)	(21,895)	(22,816)	(127,396)	(99,891)
• Financial assumptions	(104,523)	(74,460)	(15,710)	(16,612)	(120,233)	(91,072)
• Demographic assumptions	(978)	(2,615)	(6,185)	(6,204)	(7,163)	(8,819)
Taxes paid included in DBO	(16)	-	-	-	(16)	-
Contributions paid	8	-	-	-	8	-
Administrative expenses	(17)	-	-	-	(17)	-
Exchange differences	20,527	22,087	5,566	5,562	26,093	27,649
At December 31, 2022	A	334,908	256,207	68,561	67,224	403,468
FAIR VALUE OF PLAN ASSETS						
At January 1, 2022	457,514	372,825	-	-	457,514	372,825
Total period income:	12,446	10,495	-	-	12,446	10,495
• Interest income	12,446	10,495	-	-	12,446	10,495
Benefits paid	(42,962)	(39,531)	-	-	(42,962)	(39,531)
Contributions paid by participants	8	-	-	-	8	-
Contributions paid by employer	12,382	9,461	-	-	12,382	9,461
Taxes paid from plan assets	(1,124)	(1,107)	-	-	(1,124)	(1,107)
Administrative expenses	(146)	-	-	-	(146)	-
Return on assets (excluding interest income)	(110,305)	(95,104)	-	-	(110,305)	(95,104)
Exchange differences	22,291	24,341	-	-	22,291	24,341
At December 31, 2022	B	350,105	281,379	-	350,105	281,379
NET LIABILITY IN THE BALANCE SHEET AS OF AT DECEMBER 31, 2022	C = A - B	(15,198)	(25,172)	68,561	67,224	53,362
NET LIABILITY IN THE BALANCE SHEET AS OF AT DECEMBER 31, 2021		(10,233)	(34,960)	85,852	85,660	75,619

18-3 Funded/unfunded obligations

<i>(in thousand euros)</i>	Notes	Pension	Other employee benefits	Total
At December 31, 2022				
Amount of funded obligations		329,219	118	329,337
Fair value of plan assets		(350,105)	-	(350,105)
Surplus of obligation over assets		(20,886)	118	(20,768)
Fair value of unfunded obligations		5,687	68,443	74,130
Net value in the balance sheet		(15,199)	68,561	53,362
• Assets	12, 18-7	-	-	4,056
• Liabilities	18-7	-	-	(57,419)

<i>(in thousand euros)</i>	Pension	Other employee benefits	Total
At December 31, 2021			
Amount of funded obligations	440,798	-	440,798
Fair value of plan assets	(457,514)	-	(457,514)
Surplus of obligation over assets	(16,716)	-	(16,716)
Fair value of unfunded obligations	6,482	85,851	92,334
Net value in the balance sheet	(10,234)	85,851	75,618
• Assets	-	-	4,398
• Liabilities	-	-	80,016

18-4 Period costs

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Current service costs	7,462	6,866
Past service costs (including plan curtailment)	(6,688)	(561)
Settlement	322	319
Net interest costs	2,130	1,460
TOTAL	3,226	8,083

18-5 Additional information

Nature of plan assets

At December 31, 2022 (in thousand euros)	Fair value of plan assets		Including fair value of plan assets with a quoted price on an active market	
Equity	63,926	18.3%	63,926	18.3%
Bonds and other fixed income	275,920	78.8%	275,920	78.8%
Cash and cash equivalents	7,715	2.2%	7,715	2.2%
Real Estate	483	0.1%	483	0.1%
Assets held by insurance companies	2,060	0.6%	2,060	0.6%
TOTAL	350,105	100%	350,105	100%

At December 31, 2022 (in thousand euros)	U.S. fair value of plan assets		Including fair value of plan assets with a quoted price on an active U.S. market	
Equity	50,740	18.0%	50,740	18.0%
Bonds and other fixed income	227,711	80.9%	227,711	80.9%
Cash and cash equivalents	2,928	1.0%	2,928	1.0%
TOTAL	281,379	100%	281,379	100%

At December 31, 2021 (in thousand euros)	Fair value of plan assets		Including fair value of plan assets with a quoted price on an active market	
Equity	105,635	23.1%	105,635	23.1%
Bonds and other fixed income	320,901	70.1%	320,901	70.1%
Cash and cash equivalents	28,607	6.3%	28,607	6.3%
Real Estate	467	0.1%	467	0.1%
Assets held by insurance companies	1,904	0.4%	1,904	0.4%
TOTAL	457,514	100%	457,514	100%

At December 31, 2021 (in thousand euros)	Fair value of American plan assets		Including fair value of plan assets with a quoted price on an active American market	
Equity	63,333	17.0%	63,333	17.0%
Bonds and other fixed income	281,507	75.5%	281,507	75.5%
Cash and cash equivalents	27,984	7.5%	27,984	7.5%
TOTAL	372,824	100%	372,824	100%



18-6 Actuarial assumptions for main countries

Actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of each respective country. They have been adjusted according to the change in interest rates and the mortality table. Assumptions for plans representing the main obligations are set out below:

At December 31, 2022	United States	United Kingdom	France
Discount rate	5.22%	4.70%	3.75%
Inflation rate	2.50%	3.70%	2.00%
Expected rate of salary increases	3.60%	N/A	2.25%
Average plan duration (years)	9.7	14.0	10.6

At December 31, 2021	United States	United Kingdom	France
Discount rate	2.74%	1.90%	0.90%
Inflation rate	2.50%	3.80%	1.50%
Expected rate of salary increases	3.60%	N/A	1.75%
Average plan duration (years)	12.0	16.5	12.7

The discount rates for our United States and United Kingdom retirement plans were developed using the Mercer Pension Discount Yield Curve, which is based on the yields of the bonds of AA-rated companies. For our other international plans, the discount rates were set by benchmarking against the corporate bonds of companies rated AA or better on the various markets.

The discount rate for the French obligation is based on the IBOXX AA 10+ index. The rate shown for France is that of the main plan (retirement indemnities).

The rate shown for the U.S. is for the main plan, each U.S. plan being valued with a specific discount rate (from 5.07% to 5.22%).

Sensitivity of the obligation to a change in discount rate

According to the Group's estimates, a +/-1% change in the discount rate would result in a change of -9.34% and +10.60% in the obligations, respectively. This change would not, however, impact the Group's total net liability on employee benefits, as a change in plan assets may partly offset the impact.

Sensitivity of the obligation to a change in inflation rate

According to the Group's estimates, a +/-0.5% change in the inflation rate would result in a change in the obligations for the following countries, of respectively:

- +0.02% for the U.S. in both cases;
- +3.39% and -3.33% for the UK.

This change would not, however, fully impact the Group net liability on employee benefits, as a change in plan assets fair value may partly offset the impact.

Cash Flows for future years

The Group is expected to pay 10.2 million euros in employer contributions for 2023.

The expected total benefit payments, in thousand euros, is:

2023	32,656
2024	30,556
2025	30,740
2026	31,429
2027	30,632
Beyond 2027	157,988

18-7 Information by geography

At December 31, 2022 <i>(in thousand euros)</i>	Obligation		Plan assets		Net liability	
Europe	25,485	6.3%	9,326	2.7%	16,159	30.3%
United Kingdom	27,196	6.7%	34,774	9.9%	(7,578)	-14.2%
North America	343,372	85.1%	305,376	87.2%	37,997	71.2%
Other countries	7,415	1.8%	629	0.2%	6,786	12.7%
TOTAL	403,468	100%	350,104	100%	53,363	100%

At December 31, 2021 <i>(in thousand euros)</i>	Obligation		Plan assets		Net liability	
Europe	35,446	6.7%	8,937	2.0%	26,509	35.1%
United Kingdom	43,286	8.1%	46,313	10.1%	(3,028)	-4.0%
North America	447,976	84.0%	401,673	87.8%	46,303	61.2%
Other countries	6,424	1.2%	590	0.1%	5,834	7.7%
TOTAL	533,132	100%	457,513	100%	75,619	100%

For plans located in North America and Europe (mainly the United Kingdom), plan assets levels as of December 31, 2022 comply with minimum funding obligations, as legally or contractually defined.

NOTE 19 OTHER CURRENT LIABILITIES

Other current liabilities breakdown is as follow:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Social liabilities	111,706	100,829
Other tax liabilities	9,641	5,942
Accrued business development fund	87,419	105,465
Accrued costs – restructuring	8,563	5,780
Other current liabilities	74,825	75,185
OTHER CURRENT LIABILITIES	292,154	293,201

NOTE 20 COMMENTS ON THE CONSOLIDATED CASH FLOW STATEMENT

References from (a) to (j) refer to the consolidated cash flow statement.

As of December 31, 2022 cash and cash equivalents amounted to 416.3 million euros and bank overdrafts to 1.1 million euros.

Net cash from operating activities

In 2022 net cash from operating activities amounted to 300.0 million euros, compared to 280.6 million euros in 2021.

The Group recorded foreign exchange (gains)/losses with no cash impact in financial income and restated these in the consolidated cash flow statement ^(b).

There is no individually significant disposal of fixed assets during 2022 ^(b).

In 2021, the sale of Clichy headquarters generated a capital gain of 167.7 million euros.

The divestiture of PIMACO generated a capital gain of 3.0 million euros ^(c).

The working capital (see Note 14 for the definition) has increased by 29.2 million euros compared to an increase during 2021 of 19.9 million euros. The 2022 change in working capital is mainly impacted by an increase in inventories (negative impact of cost inflation) ^(c) partially offset by a decrease of receivables and an increase of payables.

The 2021 variance is mainly explained by an increase in trade receivables and inventories, partly offset by an increase in trade payables.

The payments related to employee benefits were mainly driven by the U.S. and United Kingdom ^(d).

Net cash from investing activities

Net cash from investing activities amounted to -172.5 million euros during 2022 compared to 57.6 million euros in 2021.

During 2022, there was no disposal of individually significant fixed assets ^(b).

During 2021, the headquarters of Clichy were sold for a net amount of 173.9 million euros that represent the proceed on disposal net of related costs and also income tax paid on the capital gain for 45.9 million euros.

During 2021, PIMACO was disposed of for a net amount of 4.6 million euros that represents the proceed on disposal followed by some price adjustments, net of cash & cash equivalent of the divested entity, related costs and also income tax paid on the capital gain.

During 2022, BIC disbursed 96.3 million euros on property, plant and equipment and intangible assets (including -2.1 million euros related to the change in fixed asset supplier accounts) ^(e) compared to 74.9 million euros in 2021 (including +6.0 million euros related to change in fixed asset supplier accounts).

Purchases of property, plant and equipment do not include finance leases booked as a counterpart to a financial debt, as these transactions do not have any impact on cash ^(e).

“Other current financial assets” refer to investments not eligible for classification as cash & cash equivalents under IAS 7. These investments consisted of units of UCITS and negotiable debt securities, all of which are liquid within two days ^(f).

In 2022, payments were made relating to ^(g):

- 58.2 million euros for the acquisition of Inkbox, corresponding to the purchase price net of cash and cash equivalents of the entity and related costs;
- the price adjustment of Djeep for 0.8 million euros;
- the earn-out clause for Rocketbook for 8.7 million euros;
- the acquisition of Tattly for 2.7 million euros;
- the acquisition of AMI for 3.4 million euros.

During the first half of 2021, payments were made in respect of Haco Kenya earn-out for 2.7 million U.S. dollars, Rocketbook price adjustment for 2.2 million U.S. dollars and Djeep price adjustment for 3 million euros.

Net cash from financing activities

Net cash from financing activities amounted to -175.2 million euros during 2022 compared to -148.3 million euros in 2021.

The dividends paid represent the dividends paid by SOCIÉTÉ BIC to its Shareholders (see Note 21) ^(h).

During 2022, repayments (net from new borrowings) amounted to 5.0 million euros, compared to 12.0 million euros of net repayments in 2021 ⁽ⁱ⁾.

During 2022, 1 005 093 shares were repurchased by SOCIÉTÉ BIC for 54.5 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 638 969 shares for 36.5 million euros, and sold 652 247 shares for 37.2 million euros ^(j).

During 2021, 717,928 shares were repurchased by SOCIÉTÉ BIC for 39.2 million euros. Under the liquidity agreement, SOCIÉTÉ BIC bought 546,989 shares for 29.2 million euros, and sold 566,079 shares for 29,6 million euros.

NOTE 21 DIVIDENDS

For the 2021 fiscal year, an ordinary dividend of 2.15 euros per share was distributed to Shareholders on June 1, 2022.

For the 2020 fiscal year, an ordinary dividend of 1.80 euros per share was distributed to Shareholders on June 2, 2021.

Projected dividend

The Board of Directors, meeting on February 14, 2023, decided to propose at the Annual Shareholders' Meeting to be held on May 16, 2023, the distribution of an ordinary dividend of 2.56 euros per share for fiscal year 2022.

NOTE 22 EXPOSURE TO MARKET RISKS

22-1 Counterparty risk

All financial instruments are set up with banking institutions awarded top ratings by international rating agencies, making counterparty risk very low. The minimum Standard & Poor's long-term rating of the main banking counterparties is A-, the rating range being from A+ to A-.

Cash investment decisions are subject to strict counterparty risk assessment (both depositories and custodians). The majority of the portfolio as of December 31, 2022 is on investment grade-rated supports. Counterparty risk is estimated not significant as of December 31, 2022.

22-2 Foreign exchange risk

See Note 24-2.

22-3 Interest rate risk

See Note 24-3.



22-4 Liquidity risk

The Group manages its equity such as to maintain a positive and liquid cash position, so as to be able to carry out its development and/or external growth strategy.

The excess cash and the funding needs of the Group are directly managed by the Treasury Department, following prudent policy guidelines that aim to preserve capital and to maintain a satisfactory liquidity position.

Excess cash is mainly invested in money market UCITS, negotiable debt securities and cash equivalents whose volatility is below 0.5, with a recommended holding period of less than three months.

The more structural portion of the cash can be invested in money market funds qualified as "dynamics", with a holding period that can be in excess of six months.

The market value of mark-to-market securities is assessed twice a month by the Group Treasury Department and the target is to reach an average annual performance that outperforms the capitalized ESTER rate.

(in thousand euros)

	December 31, 2021	December 31, 2022
Cash equivalents: marketable securities	253,317	209,285
Cash	215,597	207,032
CASH AND CASH EQUIVALENTS, EXCLUDING BANK OVERDRAFTS	468,914	416,317

As of December 31, 2022, total investments managed by Group Treasury amounted to 133.9 million euros, divided between 34 million euros in term accounts in euros or american dollars, and 99.9 million euros in euros.

The outperforming objective of the ESTER rate was largely achieved in 2022.

As previously mentioned in Note 6, BIC has also lowered its liquidity risk by setting up in 2020 a confirmed credit line of 200 million euros for a period of three years, which also secures a NeuCP program of 200 million euros, with an initial issuance in September 2020. During 2022, the NeuCP were regularly issued, based on the operating needs and the NeuCP BIC demand remain strong. The outstanding amount at 31 December 2022 is 50 million euros.

22-5 Credit risk

(in thousand euros)

	December 31, 2021	December 31, 2022
Gross trade receivables	Note	
Not yet due or past due for less than 60 days	352,246	319,074
Past due for 60 to 90 days	12,728	12,464
Past due for 90 to 120 days	7,418	7,635
Past due for more than 120 days	34,185	35,114
Total gross trade receivables	406,577	374,287
Doubtful receivables	14,515	17,119
TOTAL BEFORE ALLOWANCE	421,092	391,406
Allowance on trade receivables not yet due or past due for less than 60 days	(5,448)	(4,779)
Allowance on trade receivables past due for 60 to 90 days	(482)	(1,394)
Allowance on trade receivables past due for 90 to 120 days	(1,016)	(1,340)
Allowance on trade receivables past due for more than 120 days	(24,968)	(28,093)
Total allowance (B)	(31,914)	(35,605)
Allowance on specific trade receivables	(26,183)	(28,832)
Allowance on statistically calculated trade receivables	(5,731)	(6,773)
Other receivables (C)	29,009	58,882
TRADE AND OTHER RECEIVABLES - NET (A)+(B)+(C)	14	418,186

22-6 Fair value of financial assets and liabilities

Accounting categories and fair value of financial instruments

At December 31, 2022

Breakdown by category of instruments

Balance sheet items (in thousand euros)	Notes	Balance sheet value		Breakdown by category of instruments				
		Balance sheet value	Fair value	At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Financial assets		857,482	857,482	438,823	14,266	404,393	-	-
Non-current								
• Derivative financial instruments	24	3,464	3,464	-	3,464	-	-	-
• Loans accorded to external partners	11	5,625	5,625	-	-	5,625	-	-
• Other investments		50	50	50	-	-	-	-
Current								
• Trade and other receivables	14	414,682	414,682	15,915	-	398,767	-	-
• Derivative financial instruments	24	10,802	10,802	-	10,802	-	-	-
• Other current financial assets		6,540	6,540	6,540	-	-	-	-
• Cash and cash equivalents	20	416,317	416,317	416,317	-	-	-	-
Financial liabilities		318,944	318,944	8,734	9,721	-	300,489	-
Non-current								
• Borrowings	16	42,839	42,839	-	-	-	42,839	-
• Derivative instruments	24	237	237	-	237	-	-	-
• Djeep earn-out clause		3,961	3,961	3,961	-	-	-	-
Current								
• Borrowings	16	76,543	76,543	-	-	-	76,543	-
• Derivative instruments	24	9,483	9,483	-	9,483	-	-	-
• Rocketbook earn-out clause		4,773	4,773	4,773	-	-	-	-
• Trade and other payables	14	181,108	181,108	-	-	-	181,108	-





FINANCIAL STATEMENT

Consolidated financial statements

At December 31, 2021			Breakdown by category of instruments					
Balance sheet items (in thousand euros)	Notes	Balance sheet value	Fair value	At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Financial assets		888,902	888,902	268,307	1,756	618,840	-	-
Non-current								
• Derivatives financial instruments	24	62	62	-	62	-	-	-
• Other investments		46	46	46	-	-	-	-
Current								
• Trade and other receivables	14	418,186	418,186	14,943	-	403,243	-	-
• Derivative financial instruments	24	1,694	1,694	-	1,694	-	-	-
• Other current financial assets		-	-	-	-	-	-	-
• Cash and cash equivalents	20	468,914	468,914	253,317	-	215,597	-	-
Financial liabilities		276,432	276,432	13,696	13,513	-	249,223	-
Non-current								
• Borrowings	16	23,782	23,782	-	-	-	23,782	-
• Derivative instruments	24	14	14	-	14	-	-	-
• Djeep earn-out clause		3,961	3,961	3,961	-	-	-	-
• Rocketbook earn-out clause		3,512	3,512	3,512	-	-	-	-
Current								
• Borrowings	16	76,287	76,287	-	-	-	76,287	-
• Derivative instruments	24	13,499	13,499	-	13,499	-	-	-
• Rocketbook earn-out clause		6,223	6,223	6,223	-	-	-	-
• Trade and other payables	14	149,154	149,154	-	-	-	149,154	-

The valuation methods adopted for financial instruments are as follows:

- Financial instruments other than derivatives recorded in the balance sheet:
The book values used are reasonable estimates of their market value except for marketable securities whose carrying values are determined based on the last known net asset values as of December 31, 2022.
- Derivative financial instruments:
Market values are either those indicated by financial institutions or have been calculated by an external third-party on the basis of the last known closing prices as of December 31, 2022. They are consistent with the valuation reports provided by the financial institutions.

Fair value valuation method

The tables below set out the fair value method for valuing financial instruments, using the following three levels:

- level 1 (quoted prices in active markets): money market UCITS and other current financial assets;
- level 2 (observable inputs): derivatives – hedge accounting;
- level 3 (non-observable inputs): no such instruments are held as of December 31, 2022.

Category of instruments (in thousand euros)	At December 31, 2022			
	Total	Level 1	Level 2	Level 3
At fair value through the income statement – Assets	231,791	231,791	-	-
Derivative hedges – Assets	14,266	-	14,266	-
Derivative hedges – Liabilities	9,721	-	9,721	-



22-7 Net income impact by category of instruments

Net income related to the different categories of financial assets and liabilities are as follows:

At December 31, 2022	Breakdown by category of instruments					
		At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Nature of impact <i>(in thousand euros)</i>	Total					
Interest income/(expense)	1,836	2,694	-	7,735	(8,594)	-
Revaluation at fair value	-	-	-	-	-	-
Translation	(3,368)	-	-	-	(3,368)	-
Net depreciation	(3,691)	-	-	-	(3,691)	-
TOTAL	(5,223)	2,694	-	7,735	(15,653)	-

At December 31, 2021	Breakdown by category of instruments					
		At fair value through the income statement	Derivative hedging instruments	Receivables at amortized cost	Debts at amortized cost	At fair value through equity
Nature of impact <i>(in thousand euros)</i>	Total					
Interest income/(expense)	(27)	965	-	2,743	(3,736)	-
Revaluation at fair value	-	-	-	-	-	-
Translation	(16,548)	-	-	-	(16,548)	-
Net depreciation	(864)	-	-	-	(864)	-
TOTAL	(17,439)	965	-	2,743	(21,148)	-

NOTE 23 SHARE-BASED PAYMENTS

The Group issues free shares with or without performance conditions and stock options to certain employees as compensation for services provided. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. This fair value on the vesting date is expensed over the vesting period, based on the Group's estimate of the shares that will eventually be vested and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using the method given below. The expected life used in the model has been adjusted, based on management's best estimates, for the effect of non-transferability, exercise restrictions and behavioral considerations.

Share-based payments are booked in staff costs (see Note 4 "Operating expenses"- "Staff costs" item and in the lines of the income statement presented by functions).

23-1 Free share allocations with performance conditions

From 2005 onwards, using the authorization granted by successive Annual Shareholders' Meetings, the Board of Directors, upon the recommendation of the Compensation and Nomination Committee, implemented a policy of performance share awards, subject to three-year performance conditions.

All performance share plan have been granted by SOCIÉTÉ BIC and shares are delivered to beneficiaries at the end of the vesting period.

The shares to be delivered by the current plans are existing shares.





FINANCIAL STATEMENT

Consolidated financial statements

	Plan no. 15	Plan no. 16	Plan no. 17	P2022
Annual Shareholders' Meeting date	May 16, 2018	May 20, 2020	May 20, 2020	May 19, 2021
Board of Directors' Meeting date	February 12, 2019	February 11, 2020	February 16, 2021	February 15, 2022
Grant	M	M	M	M
Number of beneficiaries	497	501	158	172
Number of free shares granted	162,025	234,118	244,181	240,156
Definitive grant date	February 12, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Number of share grants definitively acquired at December 31, 2022 and transferred or to be transferred to beneficiaries by SOCIÉTÉ BIC	52,573	-	-	-
Delivery date of the shares by SOCIÉTÉ BIC to French or foreign beneficiaries	February 12, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Total number of free share grants void as of December 31, 2022 ^(a)	109,452	62,226	53,308	8,731
Total number of free share grants vesting as of December 31, 2022	-	171,892	190,873	231,425

(a) These free share grants were void due to beneficiaries leaving the Company or to a part of the performance conditions not being achieved.

M = Main.

S = Secondary.

Estimated fair value of shares granted and impact on the income statement

Grant date	Plans' unit fair value (in euros)		Expense/(income) booked in income statement (in thousand euros)	
	Main grant	Secondary grant	December 31, 2021	December 31, 2022
May 16, 2018	77	N/A	789	-
February 12, 2019	81.14	N/A	974	574
February 11, 2020	58.30	N/A	2,839	3,228
February 16, 2021	42.93	N/A	2,305	2,295
February 15, 2022	42.57	N/A	-	2,454
TOTAL			6,907	8,552

The fair value of the free shares is the share price at the grant date adjusted for the present value of potential future dividends.



23-2 Free share allocations without performance conditions

As recommended by the Compensation and Nomination Committee, the Board of Directors decided to set up a policy of free share grants without performance conditions, rewarding employees selected by Management and key contributors during the year. The vesting period is three years and one month.

On October 26, 2021, the Board of Directors approved the recommendation of the Compensation Committee, to grant free

shares without performance conditions, to all Group employees, under the aegis of Sharing *Horizon* plan. The shares granted under this plan will be delivered to employees still present at the expiry of the vesting period of two years.

Free shares are granted by SOCIÉTÉ BIC and delivered to employees still present at the expiry date of the vesting period, which is two years for Sharing *Horizon* plan and three years for the Free Shares grants.

These plans provide for the allocation of existing shares.

	Plan no. F8	Plan no. F9	Plan no. F10	Sharing Horizon	S2022
Annual Shareholders' Meeting date	May 16, 2018	May 20, 2020	May 20, 2020	May 19, 2021	May 19, 2021
Board of Directors' Meeting date	February 12, 2019	February 11, 2020	February 16, 2021	October 26, 2021	February 15, 2022
Number of beneficiaries	238	242	660	11,944	743
Number of free shares granted	17,550	30,613	137,322	59,720	118,947
Definitive grant date	March 31, 2022	March 31, 2023	March 31, 2024	October 26, 2023	March 31, 2025
Number of free share grants definitively acquired at December 31, 2022	10,950	-	170	-	-
Total number of free share grants void at December 31, 2022 ^(a)	6,600	5,808	21,257	8,520	7,638
Total number of free share grants still vesting at December 31, 2022	-	24,805	115,895	51,200	111,309

(a) These free share grants were void due to beneficiaries leaving the Company.

Estimated fair value of shares granted and impact on the income statement

Grant date	Plans' unit fair value - binomial model (in euros)	Expense/(income) booked in income statement (in thousand euros)	
		December 31, 2021	December 31, 2022
May 16, 2018	76.78	127	-
February 12, 2019	81.14	319	(90)
February 11, 2020	58.30	475	417
February 16, 2021	42.93	1,315	1,482
October 26, 2021	46.72	227	1,121
February 15, 2022	42.57	-	1,182
TOTAL		2,463	4,112

As of December 31, 2022, the total fair value of options and shares granted amounts to 14.7 million euros.



23-3 Grant of stock option plans with performance conditions

In 2021, as recommended by the Remuneration Committee, and after approval of the Shareholders Meeting, the board decided on a one-off grant of stock options with performance conditions for a limited number of the Group top executives. The options are

on existing shares, with a vesting period of 5 years, subject to presence and performance conditions covering the same period.

Breakdown by plan	Achieving Horizon stock option plan	
Annual Shareholders' Meeting date	May 19, 2021	May 19, 2021
Board of Directors' Meeting date	May 19, 2021	December 9, 2021
Number of beneficiaries	14	2
Number of subscription options	1,224,500	170,000
Date from which options may be exercised	February 28, 2026	February 28, 2026
Exercise price (in euros) ^(a)	65	66
Number of options exercised as of December 31, 2022	-	-
Number of void options as of December 31, 2022	75,000	-
Number of remaining options as of December 31, 2022	1,149,500	170,000

(a) No discount on the exercise price.

Assumptions for fair value calculation of stock options plans according to binomial model

	Achieving Horizon stock option plan
Expected volatility	25.6%
Risk-free rate	0.0%
Expected dividend yield	3.5%
Expected life in years	5

NOTE 24 FINANCIAL INSTRUMENTS

Accounting policies

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

a) Trade receivables

See Note 14.

b) Investments

In accordance with IFRS 9 "Financial Instruments", investments are classified into one of the following three categories:

- financial assets at fair value through profit or loss;
- financial assets measured at amortized cost;
- financial assets measured at fair value through other comprehensive income.

The classification determines the accounting treatment of these instruments. It is determined by the Group on the initial recognition date, based on the characteristics of the instrument and the management objective for which these assets were acquired. Purchases and sales of financial assets are recognized on the trade date, the date on which the Group is committed to buying or selling the asset. A financial asset is derecognized if the contractual rights to the cash flows associated with the financial asset expire or if the asset has been transferred.

1. Financial assets at fair value through profit or loss

Financial assets recognized at fair value through profit or loss are mainly financial assets for which the contractual cash flows do not only correspond to principal repayments and interest payments on the outstanding principal.

This category mainly includes UCITS and cash investments whose management and performance are based on fair value.

Changes in the value of these assets are recorded in the consolidated income statement. The net gains and losses of assets measured at fair value through profit or loss correspond to interest income, dividends and changes in fair value.

2. Financial assets measured at amortized cost

Financial assets are measured at amortized cost if their ownership is part of a business model aimed at receiving contractual cash flows corresponding solely to principal repayments and interest payments on the outstanding principal.

These instruments are initially recognized at fair value, then at amortized cost calculated using the effective interest rate method. Provisions are recorded in the consolidated income statement.

Net gains and losses on loans and receivables correspond to interest income and provisions.

3. Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if their holding is part of an economic model that aims both to collect contractual cash flows, corresponding only to repayments of principal and interest payments on outstanding principal, and to the sale of financial assets.

This category includes debt securities that meet the contractual flow characteristics and management model set out above, as well as shares at fair value through equity on option.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term (less than three-months) highly liquid money market investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The application of IAS 7 has resulted in money market UCITS with a historical volatility over the last 12 months of above 0.50% being considered non-eligible as "Cash equivalents." These items are now classified as "Other current financial assets."

d) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deduction of all its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

e) Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of direct issue costs) and the settlement of redemption or borrowing is recognized in profit or loss over the term of the borrowing in accordance with this method.

f) Trade payables

See Note 14.

g) Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs.

h) Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risk of changes in foreign exchange and interest rates.

The Group uses derivative financial instruments (primarily over-the-counter foreign currency forward contracts and currency options) to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions, a technique the Group designates as cash flow hedges.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written guidelines on the use of financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.



Measurement and presentation

Derivatives are initially recognized at fair value of received counterpart on the contract date and are remeasured to fair value at subsequent reporting dates. They are disclosed in the balance sheet in current assets and/or liabilities for the part within one year and in non-current assets and/or liabilities for the part beyond one year.

The fair value of over-the-counter forward exchange contracts and currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).

The fair value of foreign exchange options is taken from the valuation reports provided by financial institutions and is determined using the interest rate curves, exchange rates as well as the volatility of each currency.

Counterparty risk was measured under IFRS 13 "Fair value measurement" and is not significant.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group clearly identifies the hedging instrument and the hedged item as soon as the hedge is set up, and formally documents the hedging relationship stating the hedging strategy, the risk hedged and the method used to determine the effectiveness of the hedge. This documentation is subsequently updated, such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge:

- **cash flow hedges:** no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. The counterpart of this adjustment is recorded, net of taxes, in equity. The cumulative amount included in equity is transferred to the income statement when the hedged item has an impact on net income.

If the cash flow hedge of a commitment or forecasted transaction results in the recognition of a non-financial asset or a liability, then, at the time the asset or liability is recognized, the associated gains or losses on the derivative that had previously been recognized in equity are included in the initial carrying amount of the non-financial asset or liability.

For foreign exchange derivatives, changes in the time value of options and changes in premiums/deferrals are also recorded in other comprehensive income.

For hedges that do not result in the recognition of an asset or a liability, amounts transferred to equity are recognized in the income statement in the same period in which the hedged item affects net income.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument initially recognized directly in equity while the hedge was effective, is retained in equity until the forecast transaction occurs.

The Group no longer uses hedge accounting if the commitment or forecast transaction is no longer expected to occur, and the net cumulative gain or loss recognized in equity is transferred to profit or loss for the period;

- **hedge of net investment in a foreign operation:** the hedging instrument is adjusted to fair value. Following this adjustment, the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in equity. The cumulative amount included in equity is transferred to the income statement at the date of liquidation or sale of the net investment.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and financial characteristics are not closely related to those of the host contract and the hybrid instrument is not carried at fair value with gains or losses reported in profit or loss. The BIC Group did not carry out any such transactions over the past three years.

i) Fair value hierarchy

Financial instruments measured at fair value are classified within three fair value levels (IFRS 13):

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: directly or indirectly observable inputs other than quoted prices included within level 1;
- level 3: non-observable inputs.

24-1 Derivatives and hedge accounting

The financial risk management is mainly concentrated at the SOCIÉTÉ BIC level and managed and/or coordinated by the Group Treasury.

This department is not a profit center.

Group Treasury has ongoing contact with subsidiaries and collects information throughout the year to identify, follow and lead risk management.

Regarding foreign exchange risk, the Group policy consists in hedging the net position currency by currency on a yearly basis. Buyer and seller positions are aggregated and the determined net nominal is hedged on the market.

Depending on the fluctuation of the foreign exchange market, Group Treasury can speed up the hedging pace in order to benefit from favorable trends or slow it down so as not to fix too early a rate. All the positions are constantly monitored in real-time by the Group Treasury, which has the necessary information and analytical tools. An update of all the positions is transmitted to management each month and detailed by currency, product (forward, option, etc.), and purpose (commercial flows or net investments).

In case of local constraints that would not permit the centralization at optimum conditions for BIC, the hedges are performed locally under the strict control of Group Treasury.

24-2 Foreign exchange risk

To manage its exchange rate exposure, the Group uses forward foreign currency contracts, currency swaps and currency options. Forward foreign currency contracts are recognized as hedges insofar as they are designated as such. These hedges may cover the net investment of the Group in certain foreign entities, foreign currency receivables or debts, or budgets in foreign currency.

As Group cash is centralized, BIC holds current accounts with its

main subsidiaries. A portion of foreign currency credit balances are swapped against the euro and contribute to the Group's euro liquidity. This liquidity, which is usually invested in money market funds and other short-term investment products, has been partly held in a cash position in our bank accounts. Indeed, given the negative interest rate environment in the euro zone that has prevail for a large part of 2022, almost all short-term investment products were performing negatively. As BIC was not subject to the application of negative interest on its euro cash surpluses by its banking pool, it was appropriate to keep them in our bank accounts.

As of 31 Dec 2022, all excess cash is invested into pure monetary short-term instruments.

In addition, the U.S. dollars liquidity that participated in the short-term swap activity is now kept in U.S. dollars and invested as such in short-term investment products directly denominated in dollars; As a consequence, we are directly benefiting from the significant interest rates rise of the U.S. dollar.

Every day, Group Treasury adjusts the liquidity situation of the current accounts, excluding the U.S. dollars, which derives from the currency swaps realized on the market. This strategy, even though it uses exchange instruments, cannot be considered as a full foreign exchange risk management hedging program, as there is no definitive translation of bank accounts. It only relates to optimization of funding by BIC through foreign liquidity management.

24-3 Interest rate risk

As of December 31, 2022, the outstanding 50 million euros of NeuCP issuance was the only significant debt. This average two months debt is not hedged.

The exposure to interest rate fluctuations on borrowings is very limited. All local funding needs are directly indexed on a variable rate. Borrowers' positions are insignificant and are too limited a time scale to require any relevant hedging.



24-4 Impact of foreign exchange and interest rate risk hedging on the consolidated financial statements as of December 31, 2022

The following amounts have been booked as the fair value of derivatives as of December 31, 2022 (in thousand euros):

Derivative instruments and revaluation	Hedge qualification/ hedged risk	Net financial Income/ (expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax ^(a)	Current assets ^(b)	Non-current assets	Current Liabilities	Non-current Liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/ foreign exchange risk	148	2,430	10,083	10,496	3,464	(7,668)	(237)
Dividends	Net investment/ foreign exchange risk	-	-	1,644	-	-	(1,435)	-
Subtotal (1)		148	2,430	11,727	10,496	3,464	(9,102)	(237)
Revaluation of currency swaps backed by cash positions in foreign currencies	At fair value through P&L/ foreign exchange risk	(151)	-	-	306	-	(381)	-
Subtotal (2)		(151)	-	-	306	-	(381)	-
TOTAL 1+2		(3)	2,430	11,727	10,802	3,464	(9,483)	(237)

(a) This corresponds to the market value of hedging instruments in the portfolio at December 31, 2022 restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2021.

(b) Including options not yet exercised held by BIC representing current assets for 415 thousand euros.

24-5 Impact of foreign exchange and interest rate risk hedging on the consolidated financial statements as of December 31, 2021

The following amounts have been booked as the fair value of derivatives as of December 31, 2021 (in thousand euros):

Derivative instruments and revaluation	Hedge income qualification/hedged risk	Net financial Income/(expense) before tax – Note 5	Income from operations – Note 3	Other comprehensive income before tax ^(a)	Current assets ^(b)	Non-current assets	Current Liabilities	Non-current Liabilities
Hedging revaluation impact								
Commercial flows	Cash flow hedge/foreign exchange risk	(268)	(6,855)	(23,002)	1,298	62	(10,304)	(14)
Dividends	Net investment/foreign exchange risk	-	-	(3,540)	-	-	(2,876)	-
Subtotal (1)		(268)	(6,855)	(26,542)	1,298	62	(13,180)	(14)
Revaluation of currency swaps backed by cash positions in foreign currencies	At fair value through P&L/foreign exchange risk	(16)	-	-	396	-	(319)	-
Subtotal (2)		(16)	-	-	396	-	(319)	-
TOTAL 1+2		(285)	(6,855)	(26,542)	1,694	62	(13,499)	(14)

(a) This corresponds to the market value of hedging instruments in the portfolio at December 31, 2021 restated for the reversal of the market value of the portfolio of hedging instruments as of December 31, 2020.

(b) Including options not yet exercised held by BIC representing current assets for 267 thousand euros

24-6 Portfolio of foreign exchange risk hedges as of December 31, 2022

To cover its future cash flows, BIC had the following hedges as of December 31, 2022:

Maturity	Hedge	Forward	Currency	Purchase of options	Sale of options	Currency
2023	USD/EUR	372,944,000	USD	2,500,000	5,000,000	USD
	USD/CAD	12,000,000	USD	6,000,000	9,000,000	USD
	USD/AUD	3,751,000	USD	1,000,000	1,500,000	USD
	GBP/EUR	13,000,000	GBP	4,000,000	6,000,000	GBP
	AUD/EUR	26,000,000	AUD	2,000,000	3,000,000	AUD
	CHF/EUR	5,754,000	CHF	1,000,000	1,000,000	CHF
	EUR/MXN	4,500,000	EUR	-	-	-
	JPY/EUR	1,300,000,000	JPY	100,000,000	200,000,000	JPY
	CAD/EUR	20,314,000	CAD	-	-	-
	NZD/EUR	442,000	NZD	6,000,000	7,000,000	NZD
	PLN/EUR	-	PLN	10,000,000	15,000,000	PLN
	RON/EUR	16,000,000	RON	-	-	-
	SEK/EUR	25,000,000	SEK	5,000,000	7,000,000	SEK
USD/NZD	500,000	USD	500,000	1,000,000	USD	
2024	CHF/EUR	3,000,000	CHF	-	-	-
	CAD/EUR	1,000,000	CAD	-	-	-
	JPY/EUR	150,000,000	JPY	-	-	-
	USD/EUR	62,500,000	USD	-	-	-
2025	CHF/EUR	2,000,000	CHF	-	-	-





FINANCIAL STATEMENT

Consolidated financial statements

Regarding the needs for 2023, as of December 31, 2022, the EUR/USD parity was the most exposed, in amount of 380 million U.S. dollars. This exposure was more than 95% hedged as of December 31, 2022 and related cash flows will occur in 2023.

Net income and equity sensitivity to a variance of +/-1% EUR/USD on balance sheet items as of December 31, 2022, as

defined in IFRS 7, is not considered to be significant for the Group.

As of December 31, 2021, regarding the 2022 exposure, the EUR/USD parity was the most exposed, in the amount of 350 million U.S. dollars. This exposure was 90% hedged as of December 31, 2021 and related cash flows took place in 2022.

24-7 Main balance sheet items declared in foreign currencies

Regarding the balance sheet items, the weight of the different currencies is as follows as of December 31, 2022 for the main items:

<i>(in thousand euros)</i>	Total	EUR	Translated from USD	Translated from BRL	Translated from MXN	Translated from INR	Other
Net property, plant and equipment	612,395	376,695	79,737	49,262	44,339	14,343	48,020
Net goodwill	297,610	108,034	160,993	1	-	-	28,582
Cash and cash equivalents (excluding bank overdrafts)	416,318	155,722	98,593	44,698	25,257	510	91,538
Employee benefit obligations	(57,419)	(14,387)	(42,454)	-	(4,858)	(831)	5,111



NOTE 25 RELATED PARTIES

Pursuant to IAS 24, the Group considers the following to be related parties:

- all consolidated subsidiaries (see Note 28);
- all members of the Board of Directors (see Corporate Governance – section 4.1.3.3. “Offices and responsibilities of the Corporate Officers and Directors as of December 31, 2022”) as well as their close relatives;
- all companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right.

25-1 Consolidated subsidiaries

Transactions between the parent company and its subsidiaries as well as transactions between subsidiaries are eliminated through the consolidation process.

25-2 Members of the Board of Directors and of the Executive Committee

Transactions concluded in 2022 with members of the Board of Directors and of the Executive Committee are as follows:

<i>(in thousand euros)</i>	Expenses
Short-term employee benefits	9,945
Post-employment benefits	59
Other long-term benefits	97
Termination benefits	-
Share-based payments	4,168
TOTAL TRANSACTIONS	14,269

Directors’ fees are not included in the above table and are disclosed under Corporate Governance – section 4.2. Corporate Officer remuneration.

25-3 Companies in which a member of the Board of Directors or of the Executive Committee has a significant voting right

As of December 31, 2022, no such related parties were identified.



NOTE 26 OFF-BALANCE SHEET ITEMS

The following schedule summarizes the sureties, deposits and guarantees for the Group. All significant items are disclosed in this table. No other pledge of assets or registered shares is to be reported.

26-1 Sureties, deposits and guarantees received

(in thousand euros)	Due			December 31, 2022	December 31, 2021
	< 1 year	1 to 5 years	> 5 years		
Confirmed credit facilities	202,720	288	7,909	210,917	15,204
TOTAL	202,720	288	7,909	210,917	15,204

As of December 31, 2022, the guarantees for credit lines mainly relate to SOCIÉTÉ BIC for the 200 million euros RCF and its subsidiaries in India and Turkey for 10.6 million euros.

As of December 31, 2021, the guarantees for credit lines mainly relate to the Group's subsidiaries in Kenya, India and Turkey for 14.9 million euros.

26-2 Sureties, deposits and guarantees issued

(in thousand euros)	Due			December 31, 2022	December 31, 2021
	< 1 year	1 to 5 years	> 5 years		
Trade guarantees	-	63	-	63	63
Operating lease guarantees	-	-	320	320	320
Sureties and deposits	150	20,529	220	20,899	21,090
Other guarantees and commitments	350	5,177	-	5,527	7,969
TOTAL	500	25,769	540	26,809	29,443

26-3 Lease arrangements

(in thousand euros)	December 31, 2021	December 31, 2022
Rentals under operating leases recognized as an expense in the year (do not fall within the scope of IFRS 16)	535	784

At the balance sheet date, the Group has outstanding commitments under leases exempted from IFRS 16, which fall due as follows:

(in thousand euros)	December 31, 2021	December 31, 2022
Within one year	796	856
In the second to fifth years inclusive	1,264	14
Beyond five years	40	-
TOTAL	2,100	870

NOTE 27 CONTINGENT LIABILITIES

As of December 31, 2022, neither SOCIÉTÉ BIC nor its subsidiaries were aware of any contingent liabilities.

Contingent liabilities are defined by IAS 37 as follows:

- possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity;
- obligations that are not recognized because:
 - settlement, involving an outflow representing economic benefits, is not probable, or
 - their amount cannot be measured reliably.

NOTE 28 CONSOLIDATED SUBSIDIARIES

All entities that are more than 50% owned are consolidated.

The main operating companies at December 31, 2022, are as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Main Shareholders	Percentage ownership interest (direct or indirect)	Principal activity
Fully consolidated subsidiaries				
FRANCE				
BIC Assemblage SARL	Clichy	SOCIÉTÉ BIC SA	100.0%	Delivery of services
BIC Services SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Delivery of services
BIMA 83 SASU	Clichy/Cernay	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
Société du Briquet Jetable 75 – « B.J. 75 » SASU	Clichy/Redon	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
DAPE 74 Distribution SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Électro-Centre SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Technologies SA	Clichy	SOCIÉTÉ BIC SA	99.9%	Industrial equipments production
BIC Rasoirs SASU	Verberie	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Conté SASU	Samer	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Graphic France SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Écriture 2000 SASU	Clichy/Montévrain	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Éducation SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of IT solutions
Société Immobilière Valiton Gesnouin SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Real estate
Société Immobilière BIC Clichy SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Real estate
BIC International Development SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Delivery of services
Sibjet Technologies SNC	Guidel	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
Djeep SASU	Clichy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Advanced Magnetic Interaction, AMI SASU (Acquisition August 10, 2022)	Grenoble	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
EUROPE				
BIC Deutschland GmbH & Co. OHG	Germany	BIC Erzeugnisse GmbH BIC Verwaltungs GmbH	100.0%	Distribution of consumer products
BIC Erzeugnisse GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
BiC Verwaltungs-GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC GmbH	Germany	SOCIÉTÉ BIC SA	100.0%	Holding company
Mondial Office Verwaltungs-und Vertriebsgesellschaft mit beschränkter Haftung	Germany	BIC Deutschland GmbH & Co.	100.0%	Holding company
BIC (Austria) Vertriebsgesellschaft m.b.h	Austria	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products





FINANCIAL STATEMENT

Consolidated financial statements

Name of subsidiary	Place of incorporation (or registration) and operation	Main Shareholders	Percentage ownership interest (direct or indirect)	Principal activity
BIC Iberia SAU	Spain	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC Graphic Europe SA	Spain	BIC Iberia SAU Société BIC SA	100.0%	Manufacturing and distribution of consumer products
Norwood Promotional Products Europe S.L.U	Spain	BIC Graphic Europe SA	100.0%	Distribution of consumer products/ Dormant Entity
BIC Violex Single Member SA - Grèce	Greece	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC (Ireland) Limited	Ireland	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Italia S.P.A	Italy	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Netherlands B.V.	Netherlands	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Polska SP ZOO	Poland	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Portugal SA	Portugal	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (Romania) Marketing & Distribution SRL	Romania	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC UK Limited	United Kingdom	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Slovakia s.r.o.	Slovakia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC CIS	Russia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Nordic AB	Sweden	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
SOCIÉTÉ BIC (Suisse) SA	Switzerland	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Pazarlama Limited sirketi	Turkey	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Ukraine CA	Ukraine	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Services Sofia EOOD	Bulgaria	SOCIÉTÉ BIC SA	100.0%	Delivery of services
RBTGN21, S.L.U.	Spain	BIC Iberia SAU	100.0%	Industrial equipments production
NORTH AMERICA				
BIC Inc.	Canada	BIC CORPORATION	100.0%	Distribution of consumer products
BIC CORPORATION	United States	SOCIÉTÉ BIC SA	100.0%	Holding company
BIC USA Inc.	United States	BIC CORPORATION	100.0%	Distribution of consumer products
BIC Consumer Products Manufacturing Co. Inc.	United States	BIC USA Inc.	100.0%	Manufacturing of consumer products
Wite-Out Products Inc.	United States – Delaware	BIC CORPORATION	100.0%	Holding company
Furtuna Holding Co. Limited.	British Virgin Islands	BIC CORPORATION	100.0%	Holding company
SLS Insurance Company	United States	BIC CORPORATION	100.0%	Insurance company
Rocket Innovations, Inc.	United States – Delaware	BIC CORPORATION	100.0%	Distribution of consumer products
BIC International Co.	United States	SOCIÉTÉ BIC SA	100.0%	Delivery of services
Wite-Out Products Inc.	United States – Marinland	Wite-Out Products Inc. – Delaware	100.0%	Distribution of consumer products
SWISS MISS SHOP LLC (Acquisition July 2022)	United States	BIC CORPORATION	100.0%	Distribution of consumer products
Inkbox Ink Incorporated (Incorporated February 2022)	Canada	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Inkbox Ink America (Incorporated February 2022)	United States	Inkbox Ink Incorporated	100.0%	Distribution of consumer products
OCEANIA				
BIC Australia Pty. Ltd.	Australia	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (NZ) Limited	New Zealand	SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
LATIN AMERICA				
BIC Argentina S.A	Argentina	SOCIÉTÉ BIC SA BIC Assemblage SARL	100.0%	Distribution of consumer products
BIC Amazonia S.A	Brazil	SOCIÉTÉ BIC SA BIC Rasoirs SASU	100.0%	Manufacturing and distribution of consumer products



Name of subsidiary	Place of incorporation (or registration) and operation	Main Shareholders	Percentage ownership interest (direct or indirect)	Principal activity
BIC Chile SA	Chile	BIC Amazonia SA SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC de Costa Rica S.A	Costa Rica	BIC de Guatemala SA	100.0%	Distribution of consumer products
BIC Ecuador (ECUABIC) S.A	Ecuador	BIC Amazonia SA SOCIÉTÉ BIC SA	100.0%	Manufacturing and distribution of consumer products
BIC de Guatemala S.A	Guatemala	BIC CORPORATION SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
No Sabe Fallar SA de CV	Mexico	BIC CORPORATION Industrial de Cuautitlan SA de CV	100.0%	Manufacturing and distribution of consumer products
Industrial de Cuautitlan SA de CV	Mexico	BIC CORPORATION No Sabe Fallar SA de CV	100.0%	Manufacturing and distribution of consumer products
Servicios administrativos Industrial de Cuautitlán, SA de CV	Mexico	Industrial de Cuautitlan SA de CV No Sabe Fallar SA de CV	100.0%	Delivery of services
BIC Uruguay S.A	Uruguay	BIC Amazonia SA	100.0%	Distribution of consumer products/ Dormant Entity
Nelgor SA	Uruguay	BIC Amazonia SA	100.0%	Holding company
ASIA				
BIC Stationery (Shanghai) Co. Ltd. "BSL"	China	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC (Nantong) Plastic Products Co., Ltd.	China	SOCIÉTÉ BIC SA	100.0%	Manufacturing of consumer products
BIC Cello (India) Private Limited	India	SOCIÉTÉ BIC SA BIC Assemblage SARL	100.0%	Manufacturing and distribution of consumer products
BIC Japan Co. Ltd.	Japan	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Product (Asia) Pte. Ltd.	Singapore	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Inkbox Ink Japan	Japan	Inkbox Ink Incorporated	100.0%	Distribution of consumer products
MIDDLE-EAST AND AFRICA				
BIC (South Africa) (Pty) Ltd.	South Africa	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Holding company
BIC Holdings Southern Africa (Pty.) Ltd.	South Africa	SOCIÉTÉ BIC SA BIC UK Ltd.	100.0%	Manufacturing and distribution of consumer products
BIC Middle East FZ-LLC	Dubai	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Middle East Trading FZE	Dubai	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Malawi (Pty) Limited	Malawi	BIC Holdings Southern Africa (Pty.) Ltd. SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Lucky Stationary Nig Ltd.	Nigeria	BIC Assemblage SARL BIC Holdings Southern Africa (Pty.) Ltd	100.0%	Distribution of consumer products
BIC Mozambique Limitada	Mozambique	BIC (South Africa) (Pty.) Ltd.. SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC Bizerte	Tunisia	BIC Assemblage SARL BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Manufacturing of consumer products
BIC Zambia Limited	Zambia	BIC Holdings Southern Africa (Pty.) Ltd.	100.0%	Distribution of consumer products
BIC Maroc SARL	Morocco	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
BIC EAST AFRICA Limited	Kenya	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products
Societe BIC Cote d'Ivoire SASU (Incorporated December 2022)	Cote d'Ivoire	SOCIÉTÉ BIC SA	100.0%	Distribution of consumer products



**NOTE 29 AUDITORS' FEES**

Annual fees paid by the Group to the Statutory Auditors' and members of their networks are as follows:

	Deloitte & Associés				Grant Thornton			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2021	2022	2021	2022	2021	2022	2021	2022
<i>(in thousand euros)</i>								
Audit								
Statutory audit, certification, review of statutory and consolidated financial statements								
• Issuer	342	359	19%	17%	140	147	20%	19%
• Fully consolidated subsidiaries	1,048	1,157	58%	56%	569	615	80%	81%
Other due diligence and services directly linked to the Statutory Auditors' mission								
• Issuer	88	100	5%	5%	-	-	-	0%
• Fully consolidated subsidiaries	275	111	15%	6%	-	-	-	0%
Subtotal	1,753	1,727	97%	11%	709	-	-	100%
Other network services for the fully consolidated subsidiaries								
• Legal, tax, labor-related	51	325	3%	16%	-	-	-	0%
Subtotal	51	325	3%	16%	-	-	-	0%
TOTAL	1,804	2,052	100%	100%	709	-	100%	100%



6.2. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual Shareholders Meeting of SOCIETE BIC,

I. OPINION

In compliance with the engagement entrusted to us by the Annual General Meeting, we have audited the accompanying consolidated financial statements of SOCIETE BIC for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors, for the period from January 1, 2022, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are for Deloitte & Associés, the report on the consolidated extra-financial performance declaration, as independent third party, and attestations on information derived from accounting and financial information, that were issued upon request of the concerned companies.

III. JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.



**Impairment test of the Cello Cash Generating Unit
(Note 10 "Goodwill" to the consolidated financial statements)**

Risk identified	Our answer
<p>Generating Unit (CGU) of Cello in India is a matter of attention for management as the underlying business plan is ambitious, reflecting existing opportunities in the country.</p> <p>The Cello goodwill amounting to a 82.8 million gross value as of December 31, 2022 had been fully depreciated in 2019. The annual impairment test performed by the management as of June 30, 2020, resulted in an additional depreciation for € 41.7 million, allocated in proportion to the book value of the other assets of the CGU: €14.9 million allocated to the brand and € 26.8 million to property, plant and equipment.</p> <p>The annual impairment test performed by the management as of June 30, 2022 did not result in any additional impairment needed.</p> <p>A high degree of judgement is exercised by management around the assumptions used to determine the value in use of the cash generating unit ("CGU"). This recoverable value, which corresponds to the value in use, is determined on the basis of discounted projections of future cash flows of the CGU. We have therefore considered the Cello CGU valuation as a key audit matter.</p> <p>The main assumptions used to determine the value in use are presented in Note 10 to the consolidated financial statements.</p>	<p>We have reviewed how the Cello CGU value in use was determined. Besides the assessment of management's competency and objectivity, we have performed certain specific audit procedures, with the assistance of our specialists:</p> <ul style="list-style-type: none"> • Familiarizing ourselves with the internal control procedures related to the preparation of the most recent Cello UGT future cash flows forecast; • Verifying consistency of the main data used in the Cello CGU future cash flows forecast comparing them with both the historical performance and the strategic plan validated by the appropriate level of governance; • Corroborating the perpetual growth rate and discount rate used in the impairment test with the available market data.

IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by article L. 225-102-1 of the French Commercial Code (*code de commerce*) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

V. OTHER VERIFICATIONS OR INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the consolidated financial statements attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Société BIC during the annual general meeting held on May 4, 1999 for Deloitte & Associés and May 23, 2007 for Grant Thornton.

As at December 31, 2022, Deloitte & Associés and Grant Thornton were in the 24th year and 16th year of total uninterrupted engagement respectively.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved for issuance by the Board of Directors.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

It is our role to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.





Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, March 29, 2023

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Vianney MARTIN

Deloitte & Associés

Jean-Pierre AGAZZI



6.3. PARENT COMPANY FINANCIAL STATEMENTS OF SOCIÉTÉ BIC (FRENCH GAAP)

1. Income statement	298
2. Balance sheet	299
3. Cash flow statement	301
4. Notes to the parent company financial statements	302
5. Additional information on the parent company financial statements	317





FINANCIAL STATEMENT

Parent company financial statements of SOCIÉTÉ BIC (French Gaap)

1. INCOME STATEMENT

<i>(In thousand euros)</i>	Notes	December 31, 2021	December 31, 2022
Net sales	11	700,389	771,094
Operating grants		-	44
Reversal of depreciation, amortization and provisions, transfer of charges		28,212	23,087
Other income	12	88,347	109,425
Total operating income		816,948	903,650
Purchases of goods and changes in inventories		(424,034)	(486,380)
Purchases of raw materials, other supplies and changes in inventories		(43,935)	(40,979)
Other external purchases and charges		(208,483)	(236,199)
Taxes, levies and similar payments		(3,612)	(3,582)
Payroll costs	13	(997)	(364)
Depreciation, amortization and provisions		(29,370)	(35,370)
Other expenses		(3,742)	(5,457)
Total operating expenses		(714,173)	(808,330)
NET OPERATING INCOME		102,775	95,320
NET FINANCIAL INCOME	14	205,532	134,598
NON-RECURRING INCOME AND EXPENSES	15	(23,549)	(11,290)
Income tax expense	16 to 18	(36,071)	(25,855)
NET INCOME		248,687	192,773



2. BALANCE SHEET

Assets

(in thousand euros)	Notes	December 31, 2021	December 31, 2022		
		Net	Gross	Deprec., amort. and provisions	Net
Research and development expenses		-	1,745	(1,745)	-
Patents and similar rights		36,703	95,727	(52,041)	43,686
Intangible assets	3, 4, 10	36,703	97,472	(53,786)	43,686
Land		1,351	1,351	(238)	1,113
Buildings		250	12,387	(11,264)	1,123
Industrial fixtures and equipment		1,432	15,953	(13,542)	2,410
Other property, plant and equipment		2,411	4,525	(907)	3,618
Fixed assets under construction		1,665	1,703	-	1,703
Property, plant and equipment	3, 4, 10	7,109	35,918	(25,951)	9,966
Equity Investments	22	1,232,136	1,613,130	(316,102)	1,297,028
Other long-term investments	3	26,431	30,001	-	30,001
Long-term investments		1,258,567	1,643,131	(316,102)	1,327,029
Non-current assets		1,302,379	1,776,521	(395,839)	1,380,681
Raw materials and supplies		1,084	832	-	832
Work-in-process goods		1	1	-	1
Goods		43,751	51,934	(1,433)	50,501
Inventories		44,835	52,767	(1,433)	51,334
Advances and prepayments		1,587	1,856	-	1,856
Trade receivables and related accounts	5, 6, 10	139,125	178,482	(10,215)	168,266
Other receivables	5, 6, 10	287,400	256,435	(7,745)	248,690
Short-term financial investments	7	185,678	133,906	-	133,906
Cash and cash equivalents		49,752	4,140	-	4,140
Prepaid expenses	5	487	2,449	-	2,449
Unrealized losses from foreign exchange	8	1,007	2,177	-	2,177
Current assets		709,871	632,211	(19,393)	612,818
TOTAL ASSETS		2,012,250	2,408,733	(415,232)	1,993,499





FINANCIAL STATEMENT

Parent company financial statements of SOCIÉTÉ BIC (French Gaap)

Liabilities & Shareholders' equity

(in thousand euros)

	Notes	December 31, 2021	December 31, 2022
Share capital		170,670	167,898
Share issue premiums, merger contributions		144,165	144,165
Legal reserve		22,410	22,410
General reserve		180,667	180,696
Retained earnings		453,582	571,095
Net income for the year		248,688	192,773
Shareholders' equity	9	1,220,182	1,279,036
Provisions for contingencies and losses	10	32,028	53,191
Provisions for contingencies and losses		32,028	53,191
Bank borrowings (Bank overdraft)	5	909	907
Other borrowings	5	596,859	489,771
Financial liabilities		597,768	490,678
Trade payables and related accounts	5, 6	144,879	155,187
Tax and employee-related liabilities	5	5,534	6,181
Other liabilities	5	11,364	8,151
Operating liabilities		161,777	169,519
Unrealized gains from foreign exchange		494	1,074
Liabilities		760,039	661,271
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		2,012,250	1,993,499



3. CASH FLOW STATEMENT

(in thousand euros)

	Notes	December 31, 2021	December 31, 2022
Operating activities			
Net income		248,688	192,773
Dividends received	14	(195,068)	(160,376)
Depreciation, amortization and provisions on non-current assets		17,202	38,881
(Gain)/Loss on the disposal of fixed assets		638	4,480
Gross cash flow from operating activities		71,460	75,759
(Increase)/Decrease in net current working capital		(100,863)	37,589
NET CASH FLOW FROM OPERATING ACTIVITIES		(29,403)	113,348
Investing activities			
Dividends received from subsidiaries	14	195,068	159,876
Proceeds from disposals of property, plant and equipment and intangible assets		234	3
Purchases of property, plant and equipment	3	(1,348)	(4,101)
Acquisition of intangible assets	3	(6,535)	(9,352)
(Increase)/Decrease in treasury shares		(25,561)	(41,841)
(Increase)/Decrease in other investing expenses	3	184	(905)
Acquisitions of subsidiaries	22	(164,528)	(87,521)
NET CASH FLOW FROM INVESTING ACTIVITIES		(2,485)	16,159
Financing activities			
Dividends paid	9.2	(80,919)	(94,744)
Loans/(Repayments)		(16,000)	(9,000)
Movement in current accounts		276,550	(123,145)
NET CASH FLOW FROM FINANCING ACTIVITIES		179,632	(226,889)
Net increase/(decrease) in cash and cash equivalents		147,743	(97,382)
Opening cash and cash equivalents		86,778	234,521
CLOSING CASH AND CASH EQUIVALENTS		234,521	137,139





4. NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

	FOR THE YEAR ENDED DECEMBER 31, 2022	293	NOTE 13	MANAGEMENT COMPENSATION	309
NOTE 1	MAIN AND SUBSEQUENT EVENTS	303	NOTE 14	FINANCIAL INCOME	309
NOTE 2	ACCOUNTING PRINCIPLES, RULES AND METHODS	303	NOTE 15	NON-RECURRING INCOME AND EXPENSES	310
	<i>Notes to the balance sheet</i>		NOTE 16	INCOME TAX BREAKDOWN	310
	FOR THE YEAR ENDED DECEMBER 31, 2022	293	NOTE 17	TAX GROUPING	310
NOTE 3	NON-CURRENT ASSETS	304	NOTE 18	MAIN INCREASES/DECREASES IN THE DEFERRED TAX BASIS	311
NOTE 4	DEPRECIATION AND AMORTIZATION	305		<i>Notes to the off-balance sheet commitments</i>	
NOTE 5	MATURITY OF RECEIVABLES AND PAYABLES	305		FOR THE YEAR ENDED DECEMBER 31, 2022	293
NOTE 6	INFORMATION ON RELATED PARTIES	306	NOTE 19	OFF-BALANCE SHEET FINANCIAL INSTRUMENTS	311
NOTE 7	SHORT-TERM FINANCIAL INVESTMENTS	306		19-1 Currency derivatives	311
NOTE 8	TRANSLATION ADJUSTMENTS	306		19-2 Interest rate derivatives	312
NOTE 9	SHAREHOLDERS' EQUITY	307		19-3 Commodities derivatives	312
	9-1 Share capital	307	NOTE 20	OFF-BALANCE SHEET COMMITMENTS	312
	9-2 Changes in Shareholders' equity	307		20-1 Guarantees	312
NOTE 10	PROVISIONS	308		20-2 Pension obligations	313
	<i>Notes to the income statement</i>			<i>Other information</i>	
	FOR THE YEAR ENDED DECEMBER 31, 2022	293		FOR THE YEAR ENDED DECEMBER 31, 2022	293
NOTE 11	NET SALES BREAKDOWN	309	NOTE 21	STOCK MARKET PRICE	313
NOTE 12	OTHER INCOME	309	NOTE 22	EQUITY INVESTMENTS	314
				22-1 Subsidiaries and equity interests	314
				22-2 Analysis of movements in equity investments	316



NOTE 1 MAIN AND SUBSEQUENT EVENTS

No other subsequent event occurred between January 1, 2023 and the reporting date.

NOTE 2 ACCOUNTING PRINCIPLES, RULES AND METHODS

The financial statements are prepared in accordance with the accounting policies and methods defined by the French Plan Comptable Général, as presented by Regulation no. 2016-07 of the French Accounting Standards Authority of November 4, 2016 and its subsequent changes repealing Regulation no. 99-03 of the French Accounting Regulatory Commission of April 29, 1999 on annual financial statements.

They have been drawn up according to the basic accounting principles of:

- going concern;
- consistency;
- independence of financial years.

The items presented in the financial statements are valued on a historical cost basis.

The main accounting rules and methods adopted are the following:

a) Intangible assets

Research and development expenditures are capitalized when major applied research and development projects in progress (above 500 thousand euros) can be clearly defined, costs separately identified and reliably measured, and the project has a significant chance of commercial profitability. Capitalized research and development expenditures are amortized on a straight-line basis over a period of three to five years from the commencement of production.

Research and development expenditures that do not meet these criteria are expensed in the fiscal year.

Patents and technical processes are amortized over their period of protection or use.

Software is depreciated on a straight-line basis over a period of three to five years.

b) Property, plant and equipment

Property, plant and equipment are valued at their purchase price or production cost. Depreciation is calculated on a straight-line basis over periods depending on the asset type:

- Buildings: 25 years;
- Fixtures and fittings: 8 to 10 years;
- Vehicles: 3 to 4 years;
- Industrial plant, machinery and fittings: 2 to 8 years;
- Office and IT equipment, furniture: 3 to 8 years.

c) Fixed assets valuation

At year end, SOCIÉTÉ BIC checks the existence of internal or external indicators that could lead to a change in the net realizable value of its assets.

When the net booked value of fixed assets exceeds the market value or the asset in use, an impairment charge is recorded.

d) Long-term investments

Long-term investments are recorded at the value they were brought into assets. An impairment is booked when the value in use of an investment is less than its purchase cost. The value is determined in reference to Shareholders' equity or to cash flow projections of the relevant investment, adjusted to take into consideration the importance of the Company to the Group and its development and profit perspectives. In addition, BIC shares purchased pursuant to Article L.225-209 of the French Commercial Code (*Code de commerce*), not intended exclusively for stock option plans, are recorded within long-term investments. Treasury shares are valued at purchase cost and provision for impairment is booked at year-end when the probable trading value (based on the average share market price during the last month of the fiscal year) is less than purchase cost. Loans in foreign currency are translated at the closing exchange rate.

e) Inventory and work-in-process

Goods are valued at purchase cost, including incidental expenses, in accordance with the weighted average cost method. Inventory provisions are booked, when necessary, to reduce inventory value to the market value.

f) Receivables and payables

Receivables and payables are recorded at nominal value. Receivables are written down by way of provision, when appropriate, to take into consideration recovery risks. Foreign currency denominated receivables and payables are translated at the official closing exchange rate.

Unrealized gains on foreign exchange are booked as unrealized gains, while unrealized losses on foreign exchange are booked as unrealized foreign exchange losses with a provision for contingencies and losses.

Profit and loss on foreign exchange for current accounts are directly recognized in the profit and loss account and are not the subject of a translation difference.





FINANCIAL STATEMENT

Parent company financial statements of SOCIÉTÉ BIC (French Gaap)

According to the new ANC n°2015-05 related to the accounting of derivative instruments, applicable as of January 1, 2017, the method of accounting for derivative instruments varies according to whether the derivative qualifies for hedge accounting or not.

For non-hedged transactions, the global foreign exchange position is only used to calculate the provision for foreign exchange losses.

It is calculated currency-by-currency and hedging instruments and hedged items (for the hedged portion) are excluded from this global foreign exchange position.

The maturity dates of items included in the position should be in the same fiscal year and only realizable items should be included (receivables, payables, derivative instruments, etc.). Cash and cash equivalents are excluded.

For hedged transactions, the currency hedging impact is only recognized in the income statement when receivables (or payables) are settled.

g) Financial investments

Financial investments comprise investments in marketable securities,

and SOCIÉTÉ BIC shares bought back pursuant to Article L.225-209 of the French Commercial Code (*Code de commerce*). Treasury shares are valued at purchase cost. An impairment provision is booked when the probable trading value (based on the average stock market price during the last month of the fiscal year or the exercise price of the options for which they were purchased) at year-end is less than the purchase cost.

h) Provisions for contingencies and charges

Provisions for contingencies and charges are liabilities for which maturity or amounts cannot be precisely measured. They are calculated using the best estimate of funds required to settle the liability.

i) Borrowings

Borrowings in foreign currency are translated at the closing exchange rate.

NOTES TO THE BALANCE SHEET

NOTE 3 NON-CURRENT ASSETS

(in thousand euros)	Gross value as of December 31, 2021	Merger	Acquisitions	Disposals	Gross value as of December 31, 2022
Research and development expenses	1,745	-	-	-	1,745
Other intangible assets	86,376	-	9,352	-	95,728
TOTAL INTANGIBLE ASSETS	88,121	-	9,352	-	97,473
Land	1,351	-	-	-	1,351
Buildings	11,498	-	960	(72)	12,386
Industrial fixtures and equipment	15,583	-	1,614	(1,243)	15,953
Other property, plant and equipment	6,241	-	1,490	(3,206)	4,525
Property, plant and equipment under construction	1,666	-	37	-	1,704
TOTAL PROPERTY, PLANT AND EQUIPMENT	36,339	-	4,101	(4,522)	35,918
Equity Investments ^(a)	1,525,771	-	87,521	(164)	1,613,129
Treasury Shares ^(b)	26,019	-	93,775	(91,110)	28,684
Loans and other long-term investments	412	-	993	(88)	1,317
TOTAL LONG-TERM INVESTMENTS	1,552,202	-	182,289	(91,361)	1,643,130

(a) Equity Investments are detailed in Note 22.

(b) These refer to 393,267 shares for the free share plans and 23,338 shares related to the liquidity contract.



NOTE 4 DEPRECIATION AND AMORTIZATION

<i>(in thousand euros)</i>	Gross value as of December 31, 2021	Increase in the period	Reduction in the period	Gross value as of December 31, 2022
Research and development expenses	1,745	-	-	1,745
Other intangible assets	31,022	2,369	-	33,391
TOTAL INTANGIBLE ASSETS	32,767	2,369	-	35,136
Buildings	11,248	74	(59)	11,263
Industrial fixtures and equipment	14,151	612	(1,220)	13,543
Other property, plant and equipment	3,762	198	(3,117)	843
TOTAL PROPERTY, PLANT AND EQUIPMENT	29,160	884	(4,396)	25,648

NOTE 5 MATURITY OF RECEIVABLES AND PAYABLES

Receivables <i>(in thousand euros)</i>	Gross	Within one year	More than one year	o/w notes receivables	o/w related parties
Other long-term investments	30,001	30,001	-	-	-
Trade receivables and related accounts	178,482	178,482	-	833	133,346
Other receivables	256,435	256,435	-	-	206,812
Prepayments	2,449	2,449	-	-	-
TOTAL	467,366	467,366	-	833	340,158

Payables <i>(in thousand euros)</i>	Gross	Within one year	More than one year	o/w notes payables	o/w related parties
Bank borrowings	907	907	-	-	-
Other borrowings	489,771	489,771	-	-	429,771
Trade payables and related accounts	155,187	155,187	-	-	87,726
Tax and employee-related liabilities	6,181	6,181	-	-	-
Other liabilities	8,151	8,151	-	-	2,064
TOTAL	660,197	660,197	-	-	519,562





NOTE 6 INFORMATION ON RELATED PARTIES

Gross value (in thousand euros)	December 31, 2022
Assets	
Equity investments	1,613,129
Trade receivables and related accounts	133,346
Other receivables	206,812
Liabilities	
Other long-term loans and investments	429,771
Trade payables and related accounts	87,726
Other debts	2,064
Deferred income	-

NOTE 7 SHORT-TERM FINANCIAL INVESTMENTS

Gross value (in thousand euros)	December 31, 2022
Marketable securities ^(a)	133,906
TOTAL	133,906

(a) These are money market UCITS or short-term deposit certificates.

NOTE 8 TRANSLATION ADJUSTMENTS

Unrealized losses related to receivables and payables were recorded in unrealized exchange foreign losses in the amount of 2,177 thousand euros.



NOTE 9 SHAREHOLDERS' EQUITY

9-1 Share capital

As of December 31, 2022, the share capital of SOCIÉTÉ BIC amounted to 167,897,503.32 euros divided into 43,952,226 shares with a par value of 3.82 euros each. Registered shares held for more than two years carry double voting rights.

To the best of the Company's knowledge, as of December 31, 2022, Shareholders known to hold more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the share capital and/or of the voting rights of the Company were as follows:

	% of shares (approx.)	% of voting rights (approx.)
SOCIÉTÉ M.B.D.	29.32%	39.67%
Bich Family	16.33%	21.93%
Silchester International Investors LLP	8.21%	5.56%

As of December 31, 2022, SOCIÉTÉ BIC held 416,605 BIC shares classified as long-term investments (393,267 shares for the free share plans and 23,338 shares in relation to the liquidity contract).

9-2 Changes in Shareholders' equity

(in thousand euros)

Shareholders' equity as of December 31, 2021 (before distribution)	1,220,182
Dividend distribution with respect to fiscal year 2021	(94,744)
Shareholders' equity as of December 31, 2021 (after distribution)	1,125,438
Increase in share capital	-
Decrease in share capital ^(a)	(2,772)
Share issue premium	-
Retained earnings ^(a)	(36,403)
Net income for the year	192,773
Shareholders' equity as of December 31, 2022 (before distribution)	1,279,036

(a) During the year 2022, SOCIÉTÉ BIC cancelled 725,703 shares.



**NOTE 10 PROVISIONS**

<i>(in thousand euros)</i>	December 31, 2021	Merger	Allocations during the year	Reversals during the year (used)	Reversals during the year (unused)	December 31, 2022
Risk – Subsidiaries	3,424	-	11,072	(75)	-	14,421
Risk – Tax audit	4,322	-	-	(330)	-	3,991
Foreign exchange losses	355	-	26	-	-	381
Share grant plan	22,825	-	11,073	-	-	33,898
Other provisions for contingencies	1,103	-	-	-	(603)	500
PROVISIONS FOR CONTINGENCIES AND LOSSES	32,029	-	22,171	(405)	(603)	53,192

<i>(in thousand euros)</i>	December 31, 2021	Merger	Allocations during the year	Reversals during the year	December 31, 2022
Intangible assets and Property, plant and equipment	18,719	-	238	(3)	18,954
Investments	293,636	-	26,449	(3,983)	316,102
Work-in-process goods	-	-	-	-	-
Goods	1,807	-	1,433	(1,807)	1,433
Trade receivables	13,216	-	10,215	(13,216)	10,215
Provisions for other receivables	11,584	-	40	(3,879)	7,745
PROVISIONS FOR DEPRECIATION AND AMORTIZATION	338,962	-	38,375	(22,888)	354,449

NOTES TO THE INCOME STATEMENT

NOTE 11 NET SALES BREAKDOWN

The net sales of SOCIÉTÉ BIC break down as follows:

<i>(in thousand euros)</i>	December 31, 2021			December 31, 2022		
	France	Export	Total	France	Export	Total
Stationery	133,529	233,435	366,964	135,147	261,294	396,441
Lighters	20,305	231,396	251,702	20,964	269,986	290,950
Shavers	15,941	52,002	67,943	17,253	54,041	71,294
Other	2,850	10,931	13,781	496	11,914	12,410
TOTAL	172,625	527,764	700,389	173,860	597,234	771,094

NOTE 12 OTHER INCOME

Other income mainly comprises royalties (64,621 thousand euros) and management fees (19,287 thousand euros) invoiced to affiliates, as well as the foreign exchange gain on receivables and payables (7,326 thousand euros).

NOTE 13 MANAGEMENT COMPENSATION

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Administrative bodies	418	504
Management bodies	325	325

SOCIÉTÉ BIC has no salaried employees as of December 31, 2022.

NOTE 14 FINANCIAL INCOME

Financial income amounts to 134,598 thousand euros and is detailed as follows:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Dividends received	195,068	159,876
Dividends to be received	-	500
Reversals/(provisions)	5,452	(18,652)
Foreign exchange gains and losses	3,814	(8,724)
Other	1,198	1,598
FINANCIAL INCOME	205,532	134,598

Dividends are mainly coming from BIC Corporation, amounting to 87,359 thousands euros and from Bic Violex, amounting to 30,000 thousands euros.





NOTE 15 NON-RECURRING INCOME AND EXPENSES

The non-recurring income and expenses break down mainly as follows:

<i>(in thousand euros)</i>	December 31, 2021	December 31, 2022
Capital gains/(losses) on asset disposals	(872)	(122)
Capital gains/(losses) on long-term investment disposals	(16,749)	(164)
Provision for contingencies (net of reversal)	(4,299)	(2,040)
Tax adjustments	77	235
Debt waivers	(3,634)	(9,028)
Other	1,929	(171)
NON-RECURRING INCOME AND EXPENSES	(23,549)	(11,290)

NOTE 16 INCOME TAX BREAKDOWN

<i>(in thousand euros)</i>	Net income before tax	Income Tax expense	Net income after tax
Current net income	229,918	25,103	204,815
Non-recurring income and expenses	(11,290)	753	(12,042)
TOTAL	218,628	25,855	192,773

NOTE 17 TAX GROUPING

SOCIÉTÉ BIC is the parent company of the tax Group comprising the following companies as of December 31, 2022: Bima 83, BIC Écriture 2000, BIC Services, BIC Conté, BIC Rasoirs, Société du Briquet Jetable 75, BIC Graphic France, BIC Assemblage, BIC Technologies, BIC International Development formerly Compagnie de Moulages, DAPE 74 Distribution, Électro-Centre, BIC Éducation, Djeep and Sibjet Technologies.

As parent company, SOCIÉTÉ BIC recognizes in its financial statements the gain or loss related to the effects of the tax consolidation. In this respect, the loss recorded by SOCIÉTÉ BIC in 2022 amounts to 440,925 euros.



NOTE 18 MAIN INCREASES/DECREASES IN THE DEFERRED TAX BASIS

<i>(in thousand euros)</i>	December 31, 2022
C3S	1,147
Provision for contingencies	22,165
Provision on trade receivables	7,683
Foreign exchange losses	381
Provision on free shares	33,898
Other	(630)
TOTAL	64,644
DECREASE IN DEFERRED TAX LIABILITIES	(16,698)

NOTES TO THE OFF-BALANCE SHEET COMMITMENTS**NOTE 19 OFF-BALANCE SHEET FINANCIAL INSTRUMENTS**

The following are SOCIÉTÉ BIC's main off-balance sheet financial instruments:

19-1 Currency derivatives

Hedge nominals denominated in currencies other than the euro are converted to euros at December 31, 2022 closing rates.

The valuation of the hedges computed in accordance with market practices in terms of inputs (spot, yield curves, volatility curves) and calculation models.

Forward portfolio detail

Hedging support	Nominal (in euros)	Market value (in euros)	Instrument
Commercial Flows 2023	435,834,661	3,065,311	Forward
Commercial Flows 2024	58,597,412	3,323,196	Forward
Commercial Flows 2025	2,031,075	(96,189)	Forward
Intra-Group Dividends	33,220,072	(1,232,133)	Forward
Loans/Borrowings	37,876,690	(74,825)	Currency Swap
TOTAL	567,559,911	4,985,360	

Options portfolio detail

Hedging support	Options purchased Nominal (in euros)	Options sold Nominal (in euros)	Market value (in euros)	Instrument
Commercial Flows 2023	23,044,411	34,595,497	88,236	Option
TOTAL	23,044,411	34,595,497	88,236	





FINANCIAL STATEMENT

Parent company financial statements of SOCIÉTÉ BIC (French Gaap)

As of December 31, 2022, SOCIÉTÉ BIC had contracted:

- derivatives contracts (foreign currency forwards and options) maturing in 2023, 2024 and 2025 for an equivalent of 554.1 million euros in gross nominal value. These contracts hedge, on the basis of forecast cash flow, a significant part of the Group's foreign currency transaction risks. The foreign currency transactions are denominated in U.S. dollars, Pounds sterling, Canadian dollars, Australian dollars, New Zealand dollars, Japanese yens, Swiss francs, Polish zlotys, Romania lei and Mexican pesos. The market value of these contracts is positive for 6.4 million euros;
- derivatives contracts (foreign currency forwards) maturing in 2023 for an equivalent of 33.2 million euros in gross nominal value, dedicated to the hedge of the intra-Group dividends received in foreign currencies. The market value of these contracts is negative for 1.2 million euros;

- foreign currency swaps for an equivalent of 37.9 million euros, in connection with the Group's foreign currency liquidity and intra-Group foreign currency loans and borrowings. The market value of these contracts is negative for 74,825 euros.

In 2023, more than 90% of the Group's foreign currency transaction exposure is hedged.

19-2 Interest rate derivatives

As of December 31, 2022, SOCIÉTÉ BIC does not have any interest rate derivatives.

All local funding needs are directly indexed on a variable rate. Borrowers' positions are insignificant and are of a too limited timescale to require any hedging.

19-3 Commodities derivatives

Hedge nominals denominated in currencies other than the euro are converted to euros at December 31, 2022 closing rates.

Derivatives portfolio detail

Hedging support	Nominal (in euros)	Market value (in euros)	Instrument
2023 Raw Material purchases	5,675,316	(943,311)	Swap
TOTAL	5,675,316	(943,311)	

As of December 31, 2022, SOCIÉTÉ BIC had contracted:

- derivative contracts (swaps), maturing in fiscal year 2023, to hedge changes in the price of plastic raw materials used in the

Group's production activity. These contracts represent a hedged underlying of 4,597 metric tons of raw materials with a nominal value of 5.68 million euros. The market value of these transactions is positive by 943,311 euros.

NOTE 20 OFF-BALANCE SHEET COMMITMENTS

20-1 Guarantees

The following schedule summarizes the off-balance sheet sureties, deposits and guarantees for SOCIÉTÉ BIC.

All significant items are disclosed in this table.

No other assets or registered shares have been pledged.

Sureties, deposits and guarantees issued

(in thousand euros)	December 31, 2021	Maturity			December 31, 2022
		< 1 year	1 to 5 years	> 5 years	
Guarantees for credit lines to subsidiaries	14,911	2,720	-	7,909	10,629
Sureties, deposits and other guarantees and commitments	16,584	-	13,832	-	13,832
TOTAL	31,495	2,720	13,832	7,909	24,461



Sureties, deposits and guarantees received

(in thousand euros)	December 31, 2021	Maturity			December 31, 2022
		< 1 year	1 to 5 years	> 5 years	
Guarantees for credit lines	200,000	200,000	-	-	200,000
Sureties, deposits and other guarantees and commitments	-	-	-	-	-
TOTAL	200,000	200,000	-	-	200,000

20-2 Pension obligations

(in thousand euros)	December 31, 2022
Present value of pension obligation	512
NET PENSION LIABILITY	512

OTHER INFORMATION

NOTE 21 STOCK MARKET PRICE

(in euros)	December 31, 2021	December 31, 2022
BIC shares	47.32	63.95



**NOTE 22 EQUITY INVESTMENTS****22-1 Subsidiaries and equity interests**

	Number of shares	S: ShSres P: PSrts	% of interest	Net book value	Currency	Devis
I – French Subsidiaries						
BIC Assemblage SARL	1,000	P	100%	15,245	15,240	EUR
BIC International Development SASU	65,000	S	100%	1,478,761	990,600	EUR
Société du Briquet Jetable 75 SASU	2,954,600	S	100%	40,568,296	45,028,104	EUR
BIC Rasoirs SASU	131,291	S	100%	6,128,497	5,999,999	EUR
BIMA 83 SASU	23,689	S	100%	5,550,661	355,335	EUR
BIC Technologies SA	14,039,600	S	99%	574,944	7,440,988	EUR
BIC Services SASU	397,725	S	100%	1,042,612	6,061,329	EUR
BIC Conté SASU	5,465,181	S	100%	34,270,085	27,325,905	EUR
Electro-Centre SASU	4,000	S	100%	144,984	60,960	EUR
BIC Écriture 2000 SASU	3,202,500	S	100%	51,302,021	39,198,600	EUR
Société Immobilière Valiton Gesnoux SASU	748,440	S	100%	18,777,264	14,295,204	EUR
Société Immobilière BIC Clichy SASU	65,595	S	100%	2,498,167	997,044	EUR
BIC Éducation SASU	1,000	S	100%	791,209	1,000,000	EUR
BIC Graphic France SASU	5,000	S	100%	315,904	76,200	EUR
DAPE 74 Distribution SASU	70,000	S	100%	910,000	1,070,000	EUR
Sibjet Technologies SNC	30,000	P	100%	3,600,000	450,000	EUR
Djeep SAS	60,000	S	100%	45,810,000	960,000	EUR
Advanced Magnetic Interaction, AMI SAS	1,550,000	S	100%	2,799,046	1,550,000	EUR
Sub total I	-	-	-	223,314,153	-	-
II – Foreign subsidiaries						
BIC Erzeugnisse GmbH – Germany	2	P	100%	16,345,730	664,700	EUR
BIC Verwaltungs GmbH – Germany	2	P	100%	73,814	50,000	EUR
BIC GmbH – Germany	1	P	100%	-	25,600	EUR
BIC Portugal SA – Portugal	464,715	S	100%	6,586,179	2,323,575	EUR
BIC Slovakia SRO – Slovakia	1	P	100%	15,444,502	15,574,255	EUR
BIC Belgium – Belgium	136,410	S	100%	51,939,519	39,902,082	EUR
BIC Netherland BV – Netherland	450	S	100%	9,216,000	5,204,750	EUR
BIC Nordic AB – Sweden	110,295	S	100%	12,261,705	11,029,500	SEK
BIC (Austria) Vertriebsgesellschaft mbh – Austria	1	P	100%	381,123	109,009	EUR
SOCIÉTÉ BIC (Suisse) SA – Switzerland	2,000	S	100%	7,747,853	2,000,000	CHF
BIC UK Ltd – United Kingdom	12,000,000	S	100%	85,133,465	1,500,000	GBP
BIC (Ireland) Private Company Limited – Ireland	50,000	S	100%	6,072,660	126,973	EUR
BIC Iberia SA – Spain	2,052,145	S	100%	81,612,686	12,333,391	EUR
BIC Italia Spa – Italia	5,000,000	S	100%	24,580,000	5,150,000	EUR
BIC Viorex SA – Greece	37,237,500	S	100%	171,362,537	58,462,875	EUR
BIC Polska SP ZOO – Poland	485,430	P	100%	7,774,114	24,271,500	PLN
BIC (Romania) Marketing & Distribution SRL – Romania	641,818	S	100%	404,024	6,418,180	RON



	Number of shares	S: ShSres P: PSrts	% of interest	Net book value	Currency	Devis
BIC CIS ZAO – Russia	34,028,258	S	100%	10,049,727	357,296,709	RUB
BIC Ukraine CA – Ukraine	-	-	100%	3,300,471	34,168,470	UAH
BIC Pazarlama Ltd. Sti. – Turkey	224,260	S	99%	6,484,574	33,639,000	TRY
BIC CORPORATION – United States	22,769,073	S	100%	318,192,042	16,106,978	USD
BIC INTERNATIONAL Co. – United States	100	S	100%	1	1	USD
BIC Australia Pty. Ltd. – Australia	700,000	S	100%	11,927,000	700,000	AUD
BIC (NZ) Ltd. – New Zealand	332,500	S	100%	2,966,000	665,000	NZD
BIC Amazonia SA – Brazil	274,485,734	S	100%	18,565,900	845,831,343	BRL
BIC Argentina SA – Argentina	295,135,938	S	93%	6,149,253	295,135,938	ARS
BIC TECHNOLOGIES Asia Ltd. – Hong Kong	7,800,000	P	100%	-	7,800,000	HKD
BIC Stationery (Shanghai) Co. Ltd. – China	-	-	100%	1,477,267	18,408,000	USD
BIC Product (Asia) Pte. Ltd – Singapore	5,627,602	S	100%	-	5,627,602	SGD
Mondial Sdn. Bhd. – Malaisie	1,140,000	S	30%	11,523	3,800,000	MYR
BIC Product (Malaysia) Sdn. Bhd. – Malaysia	1,260,000	S	100%	-	1,260,000	MYR
BIC (Nantong) Plastic Products Co. Ltd. – China	-	-	100%	8,589,778	23,300,000	USD
BIC JAPAN Co. Ltd. – Japan	750	S	100%	2,550,763	100,000,000	JPY
BIC Cello (India) Pvt – India	41,487,608	S	100%	47,597,244	476,333,350	INR
BIC Bizerte – Tunisia	347,000	P	100%	34,700,000	34,700,000	EUR
BIC Middle East FZ-LLC- UAE	20,300	P	100%	-	7,105,000	USD
BIC Middle East Trading FZE – UAE	430	S	100%	104,429	430,000	AED
BIC Maroc SARL – Morocco	791,000	P	100%	4,964,225	79,100,000	DHS
BIC East Africa Ltd. – Kenya	2,000,000	-	100%	17,771,307	2,000,000,000	KES
BIC Services Sofia EOOD – Bulgaria	195,583	S	100%	1,000,600	195,583	BGN
Lucky Stationery NIG Ltd – Nigeria	10,000,000	S	100%	23,495,865	10,000,000	NGN
Societe BIC Cote d'Ivoire SASU	400,000	S	100%	3,048,980	4,000,000,000	FCFA
INKBOX INK Incorporated - CANADA	70,676,952	S	100%	72,055,384	70,676,952	CAD
Sub total II	-	-	-	1,072,190,319	-	-
III- Participating interests						
BIC Graphic Europe SA -Espagne	1	S	0.01%	246	1,303,330	EUR
BIC Holdings Southern Africa Pty. Ltd. – Afrique du Sud	41,860	S	5%	1,522,934	10,000	ZAR
BIC Chile SA – Chili	480,000	P	0.01%	-	480,000	USD
BIC de Guatemala SA	1,150	S	0.10%	-	115,000	GTQ
BIC Ecuador SA	650,000	S	0.01%	-	650,000	USD
Sub total III	-	-	-	1,523,180	-	-
TOTAL	-	-	-	1,297,027,652	-	-

Net sales, net income and shareholder's equity other than the share capital of subsidiaries and investments are not provided for reasons of confidentiality related to commercial and industrial strategy.

It is mentioned, pursuant to Article L.232-1 of the French Commercial Code, that SOCIÉTÉ BIC has no branch.





FINANCIAL STATEMENT

Parent company financial statements of SOCIÉTÉ BIC (French Gaap)

22-2 Analysis of movements in equity investments

(in thousand euros)

Equity investments (net) as of December 31, 2021	1,232,136
Acquisitions, capital increases, creations and disposals in 2022	
BIC Services SASU	5,000
Djeep SAS	439
Advanced Magnetic Interaction, AMI SAS	6,978
INKBOX INK Incorporated - CANADA	72,055
BIC Product (Singapore) Pte. Ltd. - Singapour	(164)
Societe BIC Cote d'Ivoire SASU	3,049
(Allocations to)/Reversals of provisions in 2022	
BIC Technologies SA	1,303
Electro-Centre SASU	(6)
Advanced Magnetic Interaction, AMI SAS	(4,179)
BIC Polska SP ZOO - Pologne	588
BIC (Romania) Marketing & Distribution SRL - Roumanie	216
BIC Pazarlama Ltd. Sti. - Turquie	(3,712)
BIC Argentina SA - Argentine	(2,597)
BIC Stationery (Shanghai) Co. Ltd. - Chine	899
BIC (Nantong) Plastic Products Co. Ltd. - Chine	650
BIC Product (Singapore) Pte. Ltd. - Singapour	164
Mondial Sdn. Bhd. - Malaisie	(3)
BIC Product (Asia) Pte. Ltd - Singapour	163
BIC East Africa Ltd.- Kenya	(6,805)
BIC Maroc SARL - Maroc	(891)
Lucky Stationery NIG Ltd - Nigeria	(8,256)
EQUITY INVESTMENTS (NET) AS OF DECEMBER 31, 2022	1,297,028



5. ADDITIONAL INFORMATION ON THE PARENT COMPANY FINANCIAL STATEMENTS

SOCIÉTÉ BIC five-year financial summary

(in euros)	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022
1 – Shareholders' equity at year-end					
Share capital	175,761,665	173,933,156	173,412,174	170,669,689	167,897,503
Number of shares outstanding	46,010,907	45,532,240	45,395,857	44,677,929	43,952,226
Number of bonds convertible into shares	-	-	-	-	-
2 – Net results					
Net sales	691,135,323	675,054,718	628,032,828	700,389,256	771,093,866
Net profit before tax, deprec., amort. and provisions	276,813,012	186,250,089	112,775,077	284,763,921	251,603,334
Income tax	30,347,029	18,223,589	17,278,487	36,071,230	25,855,103
Net profit after tax, deprec., amort. and provisions	149,839,552	63,096,883	14,141,172	248,687,327	192,773,206
Dividend distribution ^(a)	156,486,804	155,221,268	110,213,889	80,918,744	94,743,755
3 – Income form operations, per share data					
Net profit after tax, but before deprec., amort. and provisions	5.36	3.69	2.72	5.57	5.14
Net profit after tax, deprec., amort. and provisions	3.26	1.39	0.51	5.57	4.39
Dividend per share	3.45	3.45	2.45	1.80	2.15
4 – Payroll					
Non-salaried staff	1	1	1	1	1
Total payroll	398,151	608,907	300,000	325,000	325,000
Social welfare benefits (social security, social work)	1,711,665	72,927	2,571,477	672,048	38,675

(a) Applicable to the issued number of shares (treasury shares deducted) as of December 31. The final amount depends on the number of shares entitled to dividends on the day of payment.

Publication of customer payment periods

Article L. 441-6-1 of the French Commercial Code

(in thousand euros)	Total	Current	Overdue		
			30 days	60 days	90 days
December 31, 2022	175,604	121,858	(1,813)	2,078	53,481
December 31, 2021	149,247	100,098	4,248	2,930	41,971

Publication of supplier payment periods

Article L. 441-6-1 of the French Commercial Code

The Company has opted for the payment of supplier invoices with a due date of 60 days.

(in thousand euros)	Total	Current	Overdue		
			30 days	60 days	90 days
December 31, 2022	48,961	46,186	2,248	472	55
December 31, 2021	44,837	40,114	1,093	1,321	2,308





6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of SOCIETE BIC,

I. OPINION

In compliance with the engagement entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of SOCIETE BIC for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

II. BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2022 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the financial statements are related, for the sole Deloitte & Associés firm, to the report, as an independent third party, on the consolidated declaration of Extra-financial performance, and attestations on information derived from accounting and financial information, that were issued upon request of the concerned companies.

III. JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.



**Valuation of investments
(cf. notes 2.d « Long-term investments » and 22 « Equity investments » of the notes to the financial statements)**

Risk identified	Our answer
<p>As at 31 December 2022, investments are recorded in the balance sheet at a net carrying amount of €1,297 million as disclosed in note 22 of the notes to the financial statements. They are recorded at the value they were brought into assets. An impairment is booked when the value in use of an investment is below its purchase value.</p> <p>As disclosed in note 2.d) of the notes to the financial statements, the value in use is determined in reference to shareholders' equity or to cash flow projections of the relevant investment, adjusted to take into consideration the importance of the company to the Group and its development and profit perspectives.</p> <p>Given the weight of investments in the balance sheet, we considered the determination of the valuation of investments, particularly the value in use, to be a key audit matter presenting a risk of material misstatement.</p>	<p>We tested the operation of Group controls covering the process for determining the value in use of investments.</p> <p>Our procedures notably consisted in:</p> <ul style="list-style-type: none"> • For the valuation based on the shareholders' equity, controlling the shareholders' equity of the relevant investment with the financial statements of the different entities, • For the valuation based on the forecast assumptions: <ul style="list-style-type: none"> • Testing of internal control related to the preparation of the future cash flows forecast, • Verifying consistency of the main data used in the cash flow projections determination comparing them with the historical performance and the entity strategic plan validate by the appropriate level of governance, • Corroborating the perpetual growth rate and discount rate used in the impairment test with the expertise of our valuation specialists.

IV. SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law by the legal and regulated texts.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to Shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (Code de commerce).

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 et L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.





V. OTHER VERIFICATIONS OR INFORMATION RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Société Bic during the annual general meeting held on May 4, 1999 for Deloitte & Associés and May 23, 2007 for Grant Thornton.

As at December 31, 2022, Deloitte & Associés and Grant Thornton were in the 24th year and 16th year of total uninterrupted engagement respectively.

VI. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

VII. STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;



- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 29th 2023

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Vianney MARTIN

Deloitte & Associés

Jean-Pierre AGAZZI





6.5. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Annual General Meeting to approve the financial statements for the year ended December 31, 2022

This is a free translation into English of the statutory auditors' special report on regulated agreements with related parties that is issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the General Meeting of Société BIC,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements with related parties.

The terms of our engagement do not require us to identify such agreements, if any, but to communicate to you, based on information provided to us, the principal terms and conditions, as well as the reasons justifying the interest for the Company, of those agreements brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code concerning the implementation, during the year, of the agreements previously approved by the Shareholders' Meeting.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement.

Agreements submitted to the approval of the shareholders' meeting

Agreements authorized and signed during the year

We hereby inform you that we have not been advised of any agreement authorized during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements previously approved by the shareholders' meeting

Agreements approved in previous years which were performed during the year

We hereby inform you that we have not been advised of any agreement, previously approved by the Shareholders' Meetings, which would have continuing effect during the year.

Neuilly-sur-Seine and Paris La Défense, March 29th 2023

The Statutory Auditors

French original signed by

Grant Thornton

French Member of Grant Thornton International

Vianney MARTIN

Deloitte & Associés

Jean-Pierre AGAZZI





INFORMATION ABOUT THE ISSUER

7.1. INFORMATION ON THE COMPANY	324
History and development of the issuer	324
Memorandum and articles of incorporation	325
7.2. SHARE CAPITAL	327
7.3. SHAREHOLDING	329
Share capital breakdown	329
Employees' shareholding	330
Crossing of legal thresholds	330
Declaration of statutory thresholds crossings	330
Elements that could have influence on a take-over bid or that could delay or prevent a change of control (Article L. 225-100-3 of the French Commercial Code)	330
7.4. TREASURY SHARES AND SHARE BUYBACK	331
Treasury shares held by SOCIÉTÉ BIC as of December 31, 2022	331
Share buyback program – operations carried out in 2022	331
Description of the share buyback program submitted to the Shareholders' Meeting of May 16, 2023	331
7.5. INVESTOR RELATIONS	332
7.6. SHARE INFORMATION	333
Share custodial service	333





7.1. INFORMATION ON THE COMPANY

HISTORY AND DEVELOPMENT OF THE ISSUER

Legal and commercial name of the issuer

Legal name: SOCIÉTÉ BIC

Commercial name: BIC

Place of registration of the issuer and registration number

Place of registration: Nanterre

Registration number: 552 008 443

APE Code:

- 7010Z – Registered offices activities;
- 3299Z – Other manufacturing activities;
- NACE Code: 4649.

Its legal entity identifier (LEI code) is:
969500UR00DF63I0VH67.

Date of incorporation and length of life of the issuer

Date of incorporation: March 3, 1953.

Date of expiration: March 2, 2052, unless an Extraordinary Shareholders' Meeting decides to wind up the Company earlier or to extend it.

Registered office and legal form of the issuer

Registered office: 12-22 Boulevard Victor Hugo – 92110 Clichy – France

On February 15, 2022, the Board of Directors decided to transfer the Company's registered office to 12-22, boulevard Victor Hugo - 92110 CLICHY, as of June 1, 2022. This decision was ratified by the Shareholders' Meeting of May 18, 2022.

Telephone: 33 (0)1 45 19 52 00

Legal form and legislation governing the issuer: Limited Company (*société anonyme*) governed by French law and subject to all texts applicable to commercial companies in France and in particular the French Commercial Code.

Significant change in the issuer's financial or trading position

No significant event has occurred since the end of the last fiscal period.

Important events in the development of the issuer's business

No events to report other than those mentioned in *Group Presentation, Prospects & Strategy – § 1.1. History*.



MEMORANDUM AND ARTICLES OF INCORPORATION

The memorandum and articles of incorporation can be consulted at the registered office of the Company. The articles of incorporation are also available on the website www.bic.com in the "Strategy and Governance" section (<https://investors.bic.com/fr-fr/reginfo?cat1=15>).

Corporate purpose

Extract from the articles of incorporation (Article 3) – "Corporate Purpose"

"The Company's corporate purpose is, in all countries, the purchase, sale, commissioning, brokerage, representation, manufacturing, operation, import and export of all tangible and intangible property, and in particular of all items that are used for writing.

And generally all movable property, real property, industrial or commercial operations pertaining directly or indirectly to the abovementioned purpose or to all similar or related purposes or to purposes that could serve to promote the extension or development of the above-mentioned purpose.

The Company may carry out all operations falling within its purpose, either alone and for its own account, or for the account of third parties, as representative, licensee or intermediary, for the commissioning, brokerage, subcontracting, as lessee, farmer, manager, in a joint venture or partnership, in any form whatsoever".

Members of the administrative and management bodies

See *Corporate Governance* – § 4.1. *Administrative and Management Bodies*.

Rights, preferences and restrictions attached to each class of existing shares

Double voting rights

Extract from the articles of incorporation (Article 15.5) – "Shareholders' Meetings"

"A voting right which is double the right conferred on the other shares, in light of the portion of the share capital they represent, is attributed to all the fully paid-up shares for which proof is provided of a nominative registration for at least two years in the name of the same shareholder.

Any share converted to a bearer share or the ownership of which is transferred loses the aforementioned double voting right. Nonetheless, a transfer following death, the liquidation of the community estate of two spouses or a donation among the living in favor of a spouse or a relative entitled to inherit does not cause the loss of the right acquired and does not interrupt the two-year period referred to above.

Furthermore, in the event of a capital increase, through the incorporation of reserves, profits or share premiums, the double voting right may be conferred, at the time of issue, upon the nominative shares allotted at no charge to a shareholder on account of existing shares for which he or she enjoys this right".

Indivisibility of the shares

Extract from the articles of incorporation (Article 8 ter) – “Indivisibility of the shares”

1. “The shares are indivisible vis-à-vis the Company. Joint owners of shares are represented at Shareholders’ Meetings by one of them or by a joint representative of their choice. If they are unable to agree, a representative will be appointed by the Presiding Judge of the Commercial Court, ruling in chambers (référé), at the request of the most diligent joint-owner.

2. If the shares are burdened with a right of usufruct, the entry in the books recording their registration will mention this right of usufruct. Unless the Company is informed of an agreement to the contrary, the voting right will belong to the usufructuary at Ordinary Shareholders’ Meetings and to the bare owner at Extraordinary Shareholders’ Meetings. However, notwithstanding any agreement to the contrary, when the usufruct results from a donation of the bare ownership of shares performed under the provisions of Article 787 B of the General Tax Code, the usufructuary’s voting right will be limited to decisions concerning the allocation of profits. For all other decisions that lie within the competence of an Ordinary or Extraordinary Shareholders’ Meeting, the voting right will belong to the bare owner. The usufructuary and the bare owner must notify the Company that they intend to take advantage of these provisions”.

Action necessary to change the Shareholders’ rights

The articles of incorporation do not contain any special condition relating to changing the Shareholders’ rights.

Shareholders’ Meetings – Methods of calling meetings – Conditions of admission – Conditions for exercising voting rights

Extract from the articles of incorporation (Article 15) – “Shareholders’ Meetings”

“15.1 Shareholders’ Meetings are convened and deliberate under the conditions stipulated by law and the decrees in force.

Meetings take place either at the registered office or at any other place specified in the notice.

15.2 Any shareholder may take part, personally or by proxy, in the Shareholders’ Meetings, upon presenting proof of his/her identity and of the ownership of his/her shares, in accordance with the terms and conditions provided for by the laws and regulations in force.

Upon decision of the Board of Directors published in the notice of meeting, the Shareholders can participate and vote at the Shareholders’ Meeting by videoconference or by telecommunication or teletransmission means allowing their identification, in compliance with legal and regulatory conditions in force at the moment of their use. These Shareholders are deemed present or represented.

15.3 Remote voting is exercised in compliance with legal and regulatory conditions in force.

Upon decision of the Board of Directors published in the notice of meeting, Shareholders can use for this purpose, within the mandatory deadlines, the electronic remote proxy or voting form available on the website put in place by the Meeting’s centralizing agent. These Shareholders are deemed present or represented.

The proxy or the vote addressed by such electronic means before the Meeting, as well as their acknowledgement of receipt, will be deemed irrevocable written instructions enforceable on all parties, it being specified that if the shares are sold before the record date provided by Article R. 225-85 of the French Commercial Code, the Company shall invalidate or amend accordingly, as the case may be, the proxy or vote expressed before such date and time”.

Provision that would have an effect of delaying, deferring or preventing a change in control of the issuer

See § 7.3. Shareholding.

Provision setting the ownership threshold above which shareholder ownership must be disclosed

Extract from the articles of incorporation (Article 8 bis) – “Crossing thresholds”

“In addition to the disclosure thresholds provided for in the applicable laws and regulations, any individual or legal entity, acting alone and/or in concert, coming into possession, directly or indirectly, in any manner whatsoever within the meaning of Articles L. 233-7 et. seq. of the French Commercial Code, of a number of securities representing a fraction of the capital equal to or higher than 1% of the capital and/or voting rights must communicate to the Company the total number of shares, voting rights and securities giving future access to the capital (and voting rights potentially attached to these securities), that this individual or legal entity holds, alone and/or in concert, directly and/or indirectly. The information shall be sent by registered letter with acknowledgement of receipt within five (5) trading days of the date on which the threshold is crossed.

Once a shareholder’s interest exceeds the above-mentioned 1% threshold, said shareholder must notify the Company each time an additional threshold of 0.5% of the capital or voting rights is crossed, even when such notification is not required under the disclosure obligations provided for in the applicable laws and regulations. This obligation applies under the same conditions and within the same deadline, when the holding in the share capital falls below the foregoing threshold.

Upon request, recorded in the minutes of the Shareholders’ Meeting, of one or several Shareholders holding at least 2% of the capital and/or of the voting rights of the Company, the shareholder who has not carried out the declarations provided for in the present article is deprived of the voting rights attached to the shares exceeding the fraction of the capital that has not been declared. Withdrawal of voting rights will apply to any Shareholders’ Meeting held until the expiry of a two-year period following the date at which such disclosure is properly made”.

Conditions imposed by the articles of incorporation, governing changes in the capital, where such conditions are more stringent than is required by law

Not applicable.

7.2. SHARE CAPITAL

As of December 31, 2022, the outstanding capital of SOCIÉTÉ BIC amounts to 167,897,503.32 euros divided into 43,952,226 shares with a par value of 3.82 euros each. Issued shares are fully paid-up.

SHARE CAPITAL EVOLUTION OVER THE LAST THREE YEARS

Date	Type of operation	Amount of capital change (in euros)	Impact on share premium/ retained earnings (in euros)	Total share capital (in euros)	Shares outstanding at conclusion of the operation
2022 (Decision of the Chief Executive Officer on December 23, on the basis of a delegation of authority by the BM of December 13)	Cancellation of treasury shares under the authorizations granted by the Shareholders' Meetings of May 19, 2021 and May 18, 2022 (resolution 18)	(2,772,185.46)	(36,403,195.23) charged to retained earnings	167,897,503.32	43,952,226
2021 (Dec. 9 BM)	Cancellation of treasury shares as authorized by AGM of May 19, 2021 (resolution 16)	(2,742,484.96)	(36,486,677.99)	170,669,688.78	44,677,929
2020 (Dec. 8 BM)	Cancellation of treasury shares as authorized by AGM of May 20, 2020 (resolution 16)	(520,983.06)	(6,832,163.12)	173,412,173.74	45,395,857

BM: Board Meeting.

AGM: Annual General Meeting.

AUTHORIZATIONS TO INCREASE THE CAPITAL AT THE CLOSING OF THE 2022 FISCAL YEAR

The delegations of authority and authorizations granted by the Shareholders' Meetings to the Board of Directors in force at the date of filing of this Universal Registration Document are set out in the table below.

Nature of the delegation of authority or authorization	Date of the General Meeting	Term	Maximum amount (in € or percentage of share capital)	Use in 2022
Authorizations for the Combined General Meeting of May 18, 2022				
Authorization for the Board of Directors to trade in Company shares (resolution 4)	May 18, 2022	18 months	10% of the share capital	None
Authorization to be granted to the Board of Directors to reduce the Company's share capital by cancellation of own shares (resolution 18)	May 18, 2022	18 months	10% of the share capital	Authorization used in the context of the share capital reduction executed on December 23, 2022- Cancellation of shares representing 1.65% of the share capital (Board decisions dated December 13, 2022 and decisions of the CEO as of December 23, 2022).
Delegation of authority to be given to the Board of Directors to increase the share capital by issuing new ordinary shares and/or securities giving access to the capital, with preservation of Shareholders' preferential rights of subscription (resolution 19)	May 18, 2022	26 months	17 million euros	None





INFORMATION ABOUT THE ISSUER

Share capital

Nature of the delegation of authority or authorization	Date of the General Meeting	Term	Maximum amount (in € or percentage of share capital)	Use in 2022
Delegation of authority to be given to the Board of Directors to decide to increase the share capital on one or several occasions by incorporation of reserves, profits or premiums or other sums of money whose capitalization shall be accepted (resolution 20)	May 18, 2022	26 months	Maximum total amount of reserves, profits and/or premiums	None
Other authorizations still in force				
Authorization to be given to the Board of Directors to proceed with restricted stock awards to employees and corporate officers by granting existing shares and/or shares to be issued, entailing the waiver by Shareholders of their preferential subscription right (resolution 17)	May 19, 2021	38 months	4% of the share capital (limited to 0.4% for company officers).	On October 26, 2021, as part of Sharing Horizon, the Board of Directors decided the granting of 59,720 standard free shares ⁽¹⁾ . These free shares were granted with a vesting period of 2 years. On February 14, 2022, the Board of Directors decided the granting of 240,156 performance free shares and 118,947 standard free shares (without performance conditions). These free shares were granted with a vesting period of 3 years. The delegation was used for 0.95% of the share capital.
Authorization to be given to the Board of Directors to grant stock options and/or stock purchase options entailing the waiver by Shareholders of their preferential subscription rights (resolution 18)	May 19, 2021	38 months	4% of the share capital (limited to 1% for company officers)	On May 19, 2021, the Board of Directors made a one-time exceptional grant of Horizon stock options ⁽¹⁾ to Gonzalve Bich and members of the Executive Committee. These options were granted with a vesting period of 5 years.
Delegation of authority to the Board of Directors to carry out a capital increase by issuing shares or securities giving access to the capital, reserved for participants in a company stock ownership plan, with cancellation of preferential subscription rights in favor of the latter (resolution 20)	May 19, 2021	26 months	3% of the share capital	None
Authority to be given to the Board of Directors to decide on the issuance of ordinary shares and/or securities giving present or future access to ordinary shares to be issued intended as consideration for shares tendered to the Company in connection with contributions in kind limited to 10% of its share capital without preferential subscription rights (resolution 21)	May 19, 2021	26 months	10% of the share capital	None

The text of these delegations is available on the website <https://investors.bic.com/fr-fr>



7.3. SHAREHOLDING

SHARE CAPITAL BREAKDOWN

The table below lists the Shareholders who, to the best of the Company's knowledge, hold more than 5% of the share capital and/or of the voting rights of the Company. The Company is not aware of any other shareholder holding more than 5% of the share capital or of the voting rights. This table also gives information regarding treasury shares owned by SOCIÉTÉ BIC.

Name	December 31, 2022					
	Number of shares	% of shares (approx.)	Number of theoretical voting rights ^{(c) (d)}	% of theoretical voting rights	Number of voting rights exercisable in AGM ^{(c) (d)}	% of voting rights exercisable in AGM
Bich family concert, including ^(a) :	20,064,271	45.65	39,996,633	61.60	39,996,633	62.00
• SOCIÉTÉ M.B.D.	12,886,000	29.32	25,756,000	39.67	27,756,000	39.93
• Bich family (excluding M.B.D.)	7,178,271	16.33	14,240,633	21.93	14,240,633	22.07
Silchester International Investors LLP ^(e)	3,609,720	8.21	3,609,720	5.56	3,609,720	5.60
Other Shareholders	19,861,630	45.19	20,904,355	32.20	20,904,355	32.40
Treasury shares ^(b)	416,605	0.95	416,605	0.64	-	-
TOTAL	43,952,226	100.00	64,927,313	100.00	64,510,708	100.00

Name	December 31, 2021					
	Number of shares	% of shares (approx.)	Number of theoretical voting rights ^{(c) (d)}	% of theoretical voting rights	Number of voting rights exercisable in AGM ^{(c) (d)}	% of voting rights exercisable in AGM
Bich family concert, including ^(a) :	20,701,136	46.33	41,244,965	62.82	41,244,965	63.07
• SOCIÉTÉ M.B.D.	12,886,000	28.84	25,726,000	39.18	25,726,000	39.34
• Bich family (excluding M.B.D.)	7,815,136	17.49	15,518,965	23.64	15,518,965	23.73
Silchester International Investors LLP	3,325,347	7.44	3,325,347	5.06	3,325,347	5.09
Other Shareholders	20,388,540	45.63	20,821,315	31.71	20,821,315	31.84
Treasury shares ^(b)	262,906	0.59	262,906	0.40	-	-
TOTAL	44,677,929	100.00	65,654,533	100.00	65,391,627	100.00

Name	December 31, 2020					
	Number of shares	% of shares (approx.)	Number of theoretical voting rights ^{(c) (d)}	% of theoretical voting rights	Number of voting rights exercisable in AGM ^{(c) (d)}	% of voting rights exercisable in AGM
Bich family concert, including ^(a) :	20,676,986	45.55	41,112,477	61.54	41,112,477	61.93
• SOCIÉTÉ M.B.D.	12,870,000	28.35	25,605,000	38.33	25,605,000	38.57
• Bich family (excluding M.B.D.)	7,806,986	17.20	15,507,477	23.21	15,507,477	23.36
Silchester International Investors LLP	3,325,347	7.33	3,325,347	4.98	3,325,347	5.01
Other Shareholders	20,974,000	46.20	21,951,863	32.86	21,951,863	33.07
Treasury shares ^(b)	419,524	0.92	419,524	0.63	-	-
TOTAL	45,395,857	100.00	66,809,211	100.00	66,389,687	100.00

(a) The Bich family concert is composed of SOCIÉTÉ M.B.D. (a company – société en commandite par actions) and of Bich family members holding direct interests in SOCIÉTÉ BIC. Most Bich family members hold direct interests in SOCIÉTÉ BIC as well as indirect interests through SOCIÉTÉ M.B.D.

(b) Treasury shares without voting rights.

(c) The difference between the number of shares and the number of voting rights is caused by double voting rights (see § 7.1. Information on the Company).

(d) Voting rights attached to treasury shares are included in the number of theoretical voting rights but excluded from the number of exercisable voting rights.

(e) This information is set forth in the threshold crossing statement sent by Silchester International Investors LLP dated on December 28, 2022.



To the best of the Company's knowledge, there are no agreements between the Shareholders providing preferential transfer or purchase conditions for BIC shares or agreements whose implementation could result in a change of control.

It is specified that the Bich family holding, SOCIÉTÉ M.B.D., which holds more than 20% of the share capital and of the voting rights, has concluded various collective agreements relating to the retention of at least 12 million BIC securities. These agreements date back as far as December 15, 2003 for the oldest. They include various members of the family's concert in order to allow these members, if the need arises, to take advantage of Article 787 B of the French General Tax Code.

The following officer is part of all or of some of these agreements: Gonzalve Bich and Nikos Koumettis. All the signatories have close personal links with Gonzalve Bich, except for Nikos Koumettis and none of them – with the exception of SOCIÉTÉ M.B.D. – holds more than 5% of the share capital or of the voting rights of the Company.

Except for the granting of double voting rights to nominative shares owned for at least two years, no special voting rights are granted to the main Shareholders.

The Company is controlled as described in the table above. The prevention of potential abusive exercise of its power by a shareholder

is ensured by regular meetings of the Board of Directors and by the presence of five Independent Directors who are in the majority in the committees (Audit Committee, Remuneration Committee and Nominations, Governance and CSR Committee).

EMPLOYEES' SHAREHOLDING

No profit sharing scheme exists in respect of the issuer (SOCIÉTÉ BIC has no employees) but each subsidiary can have its own agreement in accordance with the applicable law. Stock options plans and free share plans are described in Note 23 to the consolidated financial statements.

In 2021, the Board of Directors approved the grant of free standard shares to all employees of the Company, with the exception of the Chief Executive Officer, under the Sharing *Horizon* Employee Share Plan. These standard shares have no performance conditions attached and will be delivered to all employees still present with the Company at the end of the three-year vesting period.

As of December 31, 2022, there is no employees' shareholding (as defined in Article L. 225-102 of French Commercial Code).

CROSSING OF LEGAL THRESHOLDS

Summary of legal thresholds crossed during fiscal year 2022 and at the beginning of fiscal year 2023 :

Shareholders	Declaration date	Number of shares ^(a)	As a % of capital ^(b)	Increase or decrease
Silchester International Investors LLP	February 21, 2022	4,474,802	10%	I
Silchester International Investors LLP	May 24, 2022	4,467,061	10%	D

(a) The "number of shares" represents the total number of shares held by the reporting shareholder as a result of the declaration.

(b) The "% of capital" represents the percentage of capital held by the reporting shareholder following the declaration.

DECLARATION OF STATUTORY THRESHOLDS CROSSINGS

In accordance with article 8 bis of SOCIÉTÉ BIC, of status, any individual or legal entity that comes to own more than 1% of the capital and/or voting rights is required to inform the company of the total number of shares it owns, by registered letter with acknowledgement of receipt within five trading days of the day on which the fraction is reached. This notification must be renewed, under the same conditions, each time an additional threshold of 0.5% of the share capital or voting rights is crossed.

In this respect, several shareholders have notified the Company of the crossing of statutory thresholds during the fiscal year 2022.

ELEMENTS THAT COULD HAVE INFLUENCE ON A TAKE-OVER BID OR THAT COULD DELAY OR PREVENT A CHANGE OF CONTROL (ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE)

To the best of the Company's knowledge, no element other than those mentioned below is likely to have an influence on a take-over bid, or have the effect of delaying or preventing a change of control:

- SOCIÉTÉ M.B.D., SOCIÉTÉ BIC's family holding, is a *société en commandite par actions*;
- the articles of incorporation of the Company provide:
 - the granting of double voting right to nominative shares owned for at least two years (see § 7.1. *Information on the Company*),
 - the obligation to inform the Company when the holding of share capital or of voting rights becomes equal to or higher than 1% and, beyond this threshold, higher than a whole multiple of 0.5% (see § 7.1. *Information on the Company*);
- Shareholders' Meeting authorizations to increase the share capital (see § 7.2. *Share Capital – Table relating to these authorizations*).

7.4. TREASURY SHARES AND SHARE BUYBACK

TREASURY SHARES HELD BY SOCIÉTÉ BIC AS OF DECEMBER 31, 2022

Purpose ^(a)	Number of shares	% capital	Nominal value (in euros)
Liquidity agreement	23,338	0.05	89,151.16
Free share grants	393,267	0.89	1,502,279.94
Cancellation	-	-	-
External growth operations	-	-	-
TOTAL^(B)	416,605	0.95	1,591,431.10

(a) Article L. 225-209 of the French Commercial Code.

(b) As of December 31, 2022, the book value of BIC shares held by SOCIÉTÉ BIC in accordance with Articles L. 225-209 et seq. of the French Commercial Code amounts to 26,018,006.36 euros. As of the same date, the market value of these shares is 26,641,889.75 euros (on the basis of the closing price at this date, i.e. 63.95 euros).

SHARE BUYBACK PROGRAM – OPERATIONS CARRIED OUT IN 2022

Operation	Number of shares	% capital	Nominal value (in euros)	Average sale/ purchase price (in euros)
Share buyback (excl. liquidity agreement) ^(a)	1,005,093	2.29	3,839,455.26	54.23
Liquidity agreement ^(a) :				
• Share buyback	638,969	1.45	2,440,861.58	57.14
• Sale of shares	652,247	1.48	2,491,583.54	57.02
Shares transferred under free share plans	112,413	0.26	429,417.66	125.16
Cancelled shares	725,703	1.65	2,772,185.46	54.23
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buy-back transactions disclosed above amounted to 206,992.24 euros.

During the last 24 months, the Board of Directors cancelled 1,443,631 shares, representing 3.28% of the share capital as of December 31, 2022.

DESCRIPTION OF THE SHARE BUYBACK PROGRAM SUBMITTED TO THE SHAREHOLDERS' MEETING OF MAY 16, 2023

The Board of Directors will submit to the Shareholders' Meeting of May 16, 2023 a resolution authorizing the Board of Directors to undertake operations with regards to the shares of the Company (see section 8 Board of Directors' Report and draft resolutions to the Shareholders' Meeting of May 16, 2023 -

Resolution 4). If this resolution is approved by the Shareholders, the Board of Directors will implement the share buyback program described below. This paragraph constitutes the description of the share buyback program provided by Articles 241-1 et seq. of the General Regulation of the AMF.

TREASURY SHARES HELD BY SOCIÉTÉ BIC AS OF MARCH 1, 2023

Purpose	Number of shares
Liquidity agreement	14,685
Free share grants	393,267
Cancellation	197,526
External growth operations	-
TOTAL	605,478



If the Shareholders' Meeting of May 16, 2023 approves the above-mentioned resolution, the Board of Directors will be authorized to buy back shares representing a maximum of 10% of the share capital on the date of the decision to buy back the shares, for a maximum amount of 1.30 billion euros and in order to:

- provide liquidity and stimulate the market of the shares of the Company through an investment service provider acting pursuant to a liquidity agreement compliant with professional ethics standards recognized by the French Financial Markets Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations in accordance with the market practices approved by the French Financial Markets Authority;
- remit them at the moment of the exercise of rights attached to securities giving access to the Company's share capital by redemption, conversion, exchange, presentation of a warrant or by any other means;
- allocate them to employees and officers, notably within the scope of sharing in the Company's success, employee profit-sharing schemes, the stock option program, the free share plan or through an employee savings scheme;
- cancel them entirely or partly, in accordance with the conditions provided by the regulations in force, within the limit of 10% of the capital existing on the cancellation date, per period of 24 months;

- deliver them in a payment, exchange or contribution transaction carried out in connection with an external growth transaction, merger, demerger or asset contribution, within the limits specified in the applicable regulations;
- implement all market practices that may be authorized by the French Financial Markets Authority.

If some shares are bought back in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation, the above-mentioned limits shall be decreased to 5% of the share capital on the date of the decision to buy back the shares. The Company will not at any time hold more than 10% of the total number of its own shares forming the share capital.

The purchase price may not be higher than 300 euros per share.

The authorization so given by the Shareholders' Meeting would be valid for a period of 18 months starting from May 16, 2023.

It could not be used during public offers on the Company's shares.

The purchase of shares of the Company carried out pursuant to this authorization shall also comply with the rules enacted by the French Financial Markets Authority regarding the conditions and the periods of intervention on financial market.

7.5. INVESTOR RELATIONS

BIC's Investor Relations team answers all inquiries from individual and institutional investors alike. All information regarding Shareholders and general financial and economic information regarding SOCIÉTÉ BIC are available on the Company's website: <http://www.bic.com>/or by addressing an email to investors.info@bicworld.com.

BIC regularly holds meetings with analysts and institutional investors during roadshows and brokers' conferences in the major financial marketplaces such as Paris, London, Frankfurt, Boston and New York City. BIC also holds meetings with dedicated SRI (Socially Responsible Investment) investors.

In 2022, BIC organized more than 10 roadshows and participated in several investor conferences to meet both shareholders and non-shareholders.

On May 18, 2022, BIC held its Annual Shareholders' Meeting. The event was broadcasted live in video format, and a replay was available on BIC's website after the AGM. All documents and the transcript of the event were posted on the Group's website within 24 hours of the event. The AGM presentation and transcript are available to Shareholders at the following address: https://us.bic.com/en_us/investors-agm-Shareholders.

BIC also continued its proactive communication policy with all its Shareholders and also implemented new communications tools such as investor newsletters to drive an in-depth understanding of its strategy and business and complement regulated financial disclosures and results presentations.

A free information hotline is also available to the individual Shareholders at +33 (0)800 10 12 14 (toll-free number for France).

7.6. SHARE INFORMATION

BIC shares are listed on Euronext Paris (continuous quotation) and are part of the SBF 120 and CAC Mid 60 indexes.

In 2022, non-financial ratings included: CDP Climate Leadership

Level A-; AAA MSCI rating; "Prime" ISS ESG Corporate rating of C+; and ISS ESG 1 Quality in the Environmental Category.

Its ISIN code is FR 0000120966.

BIC SHARE PRICE IN 2022

	Closing price	Average price (closing)	Highest traded	Lowest traded	Number of shares traded	Trading amounts (in thousand euros)
January 2022	50.50	49.03	51.90	46.74	1,218,302	60,083
February 2022	47.26	48.09	51.25	45.90	1,198,378	57,170
March 2022	45.72	46.43	48.32	43.64	1,167,361	54,094
April 2022	56.80	48.52	56.85	45.22	990,044	49,756
May 2022	53.20	56.22	58.20	53.15	1,103,468	62,003
June 2022	52.20	53.00	54.85	50.80	923,316	48,900
July 2022	55.20	55.00	57.20	51.65	704,460	38,703
August 2022	56.70	58.33	60.95	54.15	1,017,381	59,313
September 2022	64.90	58.44	65.55	55.20	1,230,120	72,820
October 2022	58.10	65.69	70.60	55.15	2,030,768	131,326
November 2022	63.30	60.41	63.80	56.80	1,649,755	99,356
December 2022	63.95	63.85	65.40	62.25	1,080,582	69,032
January 2023	66.70	63.42	67.35	60.55	1,050,444	66,897
February 2023	61.20	64.46	69.15	60.15	1,630,128	103,734

SHARE CUSTODIAL SERVICE

SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES

Département des Titres

32, rue du Champ de Tir

BP 81236

44312 Nantes Cedex 3 (France)





BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS OF THE SHAREHOLDERS' MEETING OF MAY 16, 2023

This section presents the draft resolutions that will be submitted to the General Shareholders' Meeting of the Company that will be held on May 16, 2023 and the report of the Board of Directors (explanatory comments) for those resolutions. The Board of Directors' report and the draft resolutions are the ones approved by the Board of Directors in its meetings of February 14, 2023 and of March 17, 2023. They may be subject to further amendments in the final Convening Notice to be published in the BALO official journal, where necessary, in order to take into account subsequent decisions of the Board of Directors.

8.1. ORDINARY GENERAL MEETING	337
Resolutions 1 and 2	
Approval of the financial statements for the fiscal year 2022	337
Resolution 3	
Appropriation of earnings and setting of dividend	338
Resolution 4	
Related-party agreements	340
Resolution 5	
Share buyback	341
Resolutions 6 to 10	
Appointment and renewal of Directors	343
Resolution 6	
Renewal of Candace Matthews as Director	344
Resolution 7	
Renewal of Jacob (Jake) Schwartz as Director	344
Resolution 8	
Renewal of Timothée Bich as Director	344
Resolution 9	
Appointment of Véronique Laury as Director	344



Resolution 10	
Appointment of Carole Callebaut Piwnica as Director	344
Resolutions 11 and 12	
Appointment of Ernst & Young Audit to replace Deloitte & Associés as Statutory Auditor and non-renewal of BEAS as deputy Auditor	345
Resolutions 13 and 14	
Renewal of the mandate of Grant Thornton as Statutory Auditor and non-renewal of IGEC as deputy Auditor	346
Resolutions 15 to 22	
Corporate Officers and Directors' remuneration	347
Resolution 15	
Approval of the information on the remuneration of all Corporate Officers for 2022 (<i>ex-post</i> vote)	347
Resolution 16	
Approval of Gonzalve Bich's remuneration for 2022, Chief Executive Officer	348
Resolution 17	
Approval of the remuneration policy for the Executive Corporate Officers for FY 2023	348
Resolution 18	
Approval of John Glen's remuneration for 2022, Chair of the Board of Directors until May 18, 2022	349
Resolution 19	
Approval of Nikos Koumettis' remuneration for 2022, Chair of the Board of Directors from May 18, 2022	349
Resolution 20	
Approval of the remuneration policy for the Chair of the Board of Directors for FY 2023	350
Resolution 21	
Remuneration policy for Directors for FY 2023	350
Resolution 22	
Remuneration granted to members of the Board of Directors for FY 2023	350
8.2. EXTRAORDINARY GENERAL MEETING	351
Resolution 23	
Authorization to reduce the share capital by cancellation of treasury shares	351
Resolution 24	
Capital increase reserved for employees	351
Resolution 25	
Capital increase to pay for contributions in kind, without preferential subscription rights	353
Resolution 26	
Overall limits on the amount of the issues carried out pursuant to the delegations of authority granted	354
Resolution 27	
Authorization to perform formalities	354

8.1. ORDINARY GENERAL MEETING

RESOLUTIONS 1 AND 2

Approval of the financial statements for the fiscal year 2022

Purpose

The first two resolutions relate to the approval of the financial statements of the parent Company and of the consolidated group for the fiscal year ended December 31, 2022.

The parent Company financial Statements for the fiscal year ended December 31, 2022 show earnings of 192,773,205.53 euros.

The consolidated financial statements for the fiscal year ended December 31, 2022 show a consolidated net profit attributable to Group Shareholders of 208,884,491 euros.

First resolution

Approval of the parent Company financial statements for the fiscal year 2022

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having reviewed the parent Company financial Statements for the fiscal year ended December 31, 2022, the reports of the Board of Directors and the Statutory Auditors;
- approves, as presented, the parent company financial statements for the fiscal year, including the balance sheet, income statement, and notes, which show a net profit of 192,773,205.53 euros, as well as the transactions reflected in these financial statements or described in these reports.

In accordance with Article 223 quater of the French General Tax Code, the General Meeting notes that there are no expenses and charges referred to in Article 39, paragraph 4 of the French General Tax Code.

Second resolution

Approval of the consolidated financial statements for the fiscal year 2022

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having reviewed the consolidated financial statements for the year ended December 31, 2022, the reports of the Board of Directors and the Statutory Auditors;
- approves, as presented, the consolidated financial statements for the fiscal year, including the balance sheet, income statement, and notes, which show a net profit of 208,884,491 euros, as well as the transactions reflected in these financial statements or described in these reports.

RESOLUTION 3

Appropriation of earnings and setting of dividend

Purpose

Given the 192,773,205.53 euros in profit for FY 2022 and retained earnings of 571,094,512.77 euros, together constituting the distributable earnings, you are hereby asked to:

- set a dividend of 2.56 euros per share for the fiscal year ended December 31, 2022. This means distributing a total dividend to Shareholders of 111,451,189.76 euros (subject to treasury shares)⁽¹⁾;
- carry forward the balance of 81,295,291.04 euros to retained earnings; and
- allocate 26,724.73 euros to the special "works of art" reserve.

The payment date for this dividend is May 31, 2023.

The dividend is defined before any tax and/or social security levy which may apply depending on the shareholder's personal circumstances. Shareholders are invited to consult a tax adviser, as appropriate.

Third resolution

Appropriation of earnings for the fiscal year ended December 31, 2022 and setting the dividend

The General Meeting, on the proposal of the Board of Directors:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;

- after considering the reports of the Board of Directors and the Statutory Auditors:
 - notes that the earnings for FY 2022 total 192,773,205.53 euros,
 - notes that retained earnings total 571,094,512.77 euros,
 - notes that total earnings available for distribution total 763,867,718.3 euros, and
 - decides to allocate the total earnings as follows:

Dividend	111,451,189.76 euros ^(a)
Retained earnings brought forward	81,295,291.04 euros
Works of art special reserve	26,724.73 euros

(a) Based on 43,952,226 shares representing the Company's share capital as of December 31, 2022, it being specified that in the event of a change in the number of shares entitled to dividends, the total amount of dividends would be adjusted accordingly.

The General Meeting therefore decides to distribute a dividend for the fiscal year ended December 31, 2022 of 2.56 euros per share. If the number of shares conferring dividend rights were to change⁽²⁾, the total dividend will be adjusted accordingly. Moreover, the amount allocated to the retained earnings account would be determined on the basis of dividends actually paid.

The effect of this allocation will be to increase shareholders' equity to 1,279,036,306 euros and reserves to 203,106,109 euros.

The dividend payment date will be May 31, 2023.

The aforementioned dividend is set before any tax and/or social security levy that may apply depending on the shareholder's personal circumstances. It is specified that dividends paid to individuals who are French tax residents are subject to a flat-rate withholding tax (PFNL) at the rate of 12.8%. This deduction constitutes an advanced payment of income tax that is deductible from the tax due the following year.

At the time of its final taxation, for individuals who are French tax residents, the dividend is subject either to a single flat-rate withholding tax of 12.8%⁽³⁾ or, if the taxpayer expressly and irrevocably opts for a global withholding tax, to income tax according to the progressive scale after application of the 40%⁽⁴⁾ tax deduction. This option must be exercised when filing the income tax return and at the latest before the deadline for filing the return. The flat-rate withholding tax, deducted at source, is deducted from the tax thus determined. The dividend is also subject to social security withholdings at a rate of 17.2%. The portion of the social security contributions relating to the CSG due on dividends, when they are taxed at the progressive income tax rate, is, up to 6.8 points, deductible from the taxable income of the year of its payment⁽⁵⁾. In addition, taxpayers whose taxable income exceeds certain thresholds are subject to the exceptional contribution on high incomes at a rate of 3% or 4%, depending on the case⁽⁶⁾. Dividends paid to

(1) Based on 43,952,226 shares representing the Company's share capital as of December 31, 2022, it being specified that in the event of a change in the number of shares entitled to dividends, the total amount of dividends would be adjusted accordingly.

(2) From the 43,952,226 shares in the share capital and 416,605 of treasury shares at December 31, 2022.

(3) Article 200 A of the General Tax Code.

(4) Article 200 A, 2, and Article 158-3.2° of the French General Tax Code - in case of option for the progressive income tax scale, the dividend is eligible for the 40% tax deduction.

(5) Article 154 quinquies, II of the General Tax Code.

(6) Article 223 sexies of the General Tax Code.



shareholders who are not French tax residents are subject to a withholding tax at a rate of 12.8% for individuals and 25% for legal entities⁽¹⁾, in accordance with Article 119 bis of the French General Tax Code. This withholding tax may be reduced by the application of the tax treaty between France and the beneficiary's country of residence for tax purposes, if the beneficiary proves that he or she is a

tax resident of the country that has concluded the treaty with France. In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the General Meeting decides that the dividend on shares held by the Company on the payment date will be allocated to "retained earnings".

In accordance with the provisions of Article 243 bis of the French General Tax Code, the General Meeting notes that the following dividends were distributed in respect of the three previous fiscal years:

FY	Number of shares	Dividend distributed per share ^(a) (in euros)
2019	44,985,261	2.45
2020	44,954,858	1.80
2021	44,677,929	2.15

(a) Where the progressive income tax scale is chosen, dividends may qualify for the 40% deduction provided for in Article 158-3.2° of the French Tax Code, under certain conditions.

(1) Article 187 of the General Tax Code.





RESOLUTION 4

Related-party agreements

Purpose

The purpose of the 4th resolution is to invite, in accordance with Article L.225-38 of the French Commercial Code, to acknowledge the special report of the Statutory Auditors on related-party agreements entered into by Société BIC during the fiscal year ended December 31, 2022.

In this respect, we inform you that (i) no regulated agreements or commitments were entered into during the fiscal year ended December 31, 2022 and (ii) no regulated agreements entered into in prior years have been continued.

Fourth resolution

Reports of the Statutory Auditors on related-party agreements

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- notes that it has been presented with the Statutory Auditors' special report on related-party agreements referred to

Article L.225-38 of the French Commercial Code, which (i) does not mention any new agreements entered into during the year ended December 31, 2022, and (ii) contains information concerning the continuation, during the year, of agreements entered into in prior years.



RESOLUTION 5

Share buyback

Purpose

You are asked to renew the 18-month authorization for the Board of Directors to purchase, hold or sell Company shares.

The highlights of this resolution are as follows:

- these share buybacks may not be done during public tender offer periods involving Company shares;
- the maximum number of shares that may be purchased would represent 10% of the share capital;
- the maximum purchase price would be kept at 300 euros per share. This would result in a maximum theoretical purchase amount of circa 1,306,068,600 euros (net of trading costs); and
- BIC may buy back its own shares notably for the implementation of employee stock ownership plans and the use of shares for acquisitions.

The objectives and description of the authorization can be found in the resolution below and in Chapter 7.4 of the 2022 Universal Registration Document.

In 2022, Société BIC repurchased 1,005,093 shares of the Company for a total amount of 54.5 million euros. Of the shares repurchased, 15.3 million euros were used to implement the free share plans and the remaining shares (representing a total amount of 39.2 million euros) were canceled.

Fifth resolution

Authorization for the Board of Directors to trade in Company shares

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the Report of the Board of Directors;
- authorizes the Board of Directors to purchase or arrange for the purchase of Company shares, in accordance with notably Articles L. 22-10-62 et seq. & L. 225-210 et seq. of the French Commercial Code, EU Regulation No. 596/2014 of April 16, 2014 and its implementing regulations, the AMF General Regulation and market practice accepted by the AMF for:
 - a. the allotment of shares following the exercise of stock purchase options by employees and/or executive officers of the Company and of affiliated companies or economic interest groups related to it pursuant to applicable legal and regulatory provisions,
 - b. the implementation of any plan for the allocation of shares subject to performance conditions or not, under a global employee share program, to employees and/or Corporate Officers of the Company and of affiliated companies (as defined under applicable laws and regulations) or economic interest groups, either directly or via entities acting on their behalf,
 - c. the sale of shares to employees (either directly or through employee savings mutual funds) under employee shareholding plans or company savings plans,
 - d. the delivery of shares upon exercise of convertible securities,
 - e. the subsequent delivery of shares as payment or exchange in the context of external growth transactions,
 - f. the cancellation of shares up to the maximum legal limit,
 - g. ensuring the liquidity of the market in Company shares by an investment services provider acting completely independently within the framework of a liquidity agreement in compliance with conduct of business rules and market practice accepted by the French financial market regulator, the AMF (*Autorité des Marchés Financiers*),
 - h. the use of any market practice accepted or that may be accepted by the AMF (*Autorité des Marchés Financiers*) and, more generally, undertaking any other transaction that complies with prevailing regulations.

Shares may be purchased, sold, transferred or exchanged at any time on one or more occasions, except during a public tender offer period, and by any means, provided that laws and regulations in force are complied with, on any market, off the stock market, over the counter, in whole or in part through purchases of blocks of shares, by a public tender offer in cash or in shares, by using options or derivatives (with the exception of put option sales), either directly or indirectly through the intermediation of an investment services provider or in any other manner, in accordance with applicable regulations.

The General Meeting sets the maximum purchase price at 300 euros per share (excluding trading costs) and delegates to the Board of Directors in the event of corporate actions involving the Company's equity, and notably a capital increase by capitalizing reserves, restricted stock unit awards, a stock split or reverse stock split, a distribution of reserves or any other assets, a share capital redemption, or any corporate action, the power, with the power of sub-delegation, to adjust the above purchase price to take into account the impact of such transactions on the value of the shares.

The General Meeting duly notes that the maximum number of shares that may be purchased under this authorization may not, at any time, exceed 10% of the total shares in the share capital (i.e., on an indicative basis, 43,535,621 shares as of December 31, 2022, representing a maximum theoretical purchase price (excluding acquisition costs) of 1,306,068,600 euros). Purchases of own shares by the Company may not at any time result in the Company holding over 10% of its share capital, either directly or indirectly through subsidiaries. Furthermore, the number of shares acquired by the Company to be held and used later in payment or exchange for acquisitions may not exceed 5% of its share capital.

As treasury shares are not entitled to dividends, the amount corresponding to unpaid dividends will be allocated to the retained earnings account.

The General Meeting delegates full powers to the Board of Directors with the ability to sub-delegate in accordance with the conditions set out by law, to:

- place all orders on any market or carry out any transaction off-market;
- enter into and terminate any agreements for the repurchase, the sale or the transfer of shares;
- allocate or re-allocate the shares acquired to the various objectives under the applicable law and regulation;
- prepare all documents, file all declarations, issue all statements and carry out all formalities with the AMF or any other authority regarding the trades done under this resolution;
- define the terms and conditions under which, where applicable, the rights of holders of securities giving access to the Company's share capital will be preserved in accordance with regulatory provisions; and
- carry out all other formalities, and, generally, take any necessary or useful measures for the implementation of this authorization.

The Board of Directors will inform the General Meeting of the transactions carried out pursuant to this resolution, in accordance with applicable regulation.

The authorization is granted for eighteen months from the date of this General Meeting. The authorization cancels and supersedes, for the unused portion, the prior authorization granted in the fourth resolution of the Combined General Meeting of May 18, 2022.

RESOLUTIONS 6 TO 10

Appointment and renewal of Directors

Purpose

The terms of office of:

- Candace Matthews;
- Jacob (Jake) Schwartz;
- Marie-Pauline Chandon-Moët; and
- Timothée Bich.

expire at the end of this General Meeting.

On the recommendation of the Nominations, Governance and CSR Committee, the Board of Directors proposes to renew the term of office of Candace Matthews, Jacob (Jake) Schwartz, et Timothée Bich as Directors for another three years.

The biographies and number of shares of the Company held by Candace Matthews, Jacob (Jake) Schwartz, and Timothée Bich are presented in Chapter 4.1.3.3 of the 2022 Universal Registration Document.

Renewal of Candace Matthews as Director, Independent Director, member of the Audit Committee and the Nominations, Governance and CSR Committee

Candace Matthews has been Director since May 2017.

She has attended 100% of Board Meetings since her renewal in 2019.

Renewal of Jacob (Jake) Schwartz as Director, Independent Director, member of the Audit Committee

Jacob (Jake) Schwartz joined BIC as Director in 2020.

He has attended 96% of Board Meetings since his appointment.

Renewal of Timothée Bich as Director

Timothée Bich has been Director since 2019.

He has attended 100% of the meetings of the Board of Directors since his renewal in 2020.

Appointment of Véronique Laury as Director, in replacement of Marie-Pauline Chandon-Moët

Marie-Pauline Chandon-Moët, who has been a director since 2003, did not wish to seek renewal of her mandate. To succeed her, the Board of Directors recommended, on February 14, 2023, the appointment of Véronique Laury, upon the proposal of the BICH Family. This nomination will be submitted to the 2023 Shareholders' Meeting.

The Nominations, Governance and CSR Committee and the Board of Directors have examined her profile. In particular, they appreciated Véronique Laury's high-level international career as Chief Executive Officer and Director of several major international companies.

Véronique Laury is 57 years old and an *alumni* of the *Institut d'Etudes Politiques de Paris*. She started her career at Leroy Merlin before joining the Kingfisher Group in 2003. She started as Product Director and Sales Director at Castorama France before being appointed Sales Director of Kingfisher Group. From 2014 to 2019, she held the position of Chief Executive Officer of the Kingfisher Group, in London. Since 2020, she has been Director in several international companies' boards of directors such as Ikea, British American Tobacco, Wework, Sodexo and Eczacibasi. Her detailed biography will be included in the convening notice to the Shareholders' Meeting.

Appointment of Carole Callebaut Piwnica, in replacement of Elizabeth Bastoni

On February 14, 2023, the Board of Directors also acknowledged Elizabeth Bastoni's decision to step down from her position as Independent Director, Chair of the Remuneration Committee and of the Nominations, Governance and CSR Committee, effective from the next General Shareholders' Meeting, for personal reasons.

Upon recommendation of the Nominations, Governance and CSR Committee, the Board of Directors of March 17, 2023 recommended the nomination of Carole Callebaut Piwnica as an Independent Director.

Carole Callebaut Piwnica, a citizen of Belgium, is 65 years old. She holds a law degree from the University of Brussels and a Master of Laws degree from New York University. She was a member of the New York and Paris bars. She began her career in New York at Proskauer Rose and joined the M&A department of Shearman & Sterling in Paris. She worked for 15 years in the agri-food processing industry and served as Chairman of the Amylum Group (Belgium) and as director and vice-chairman of Tate and Lyle (UK). She has also been an independent director of several international listed companies including Sanofi (France, pharmaceuticals), Eutelsat (France, satellites), Dairy Crest (UK, milk and cheese), and Aviva (UK, insurance). In 2006, she founded the private equity fund Naxos Capital Partners (Luxembourg), of which she was Managing Partner and was a director of its portfolio companies, including Big Red (US, softdrinks) and Amyris (US, ingredients and beauty). She is currently an independent director on the Supervisory Board of Rothschild & Co. Her detailed biography will be included in the convening notice to the Shareholders' Meeting.

The candidates have indicated that they accept the duties entrusted to them and that they are not subject to any measure that would prohibit them from exercising those duties.



RESOLUTION 6

Renewal of Candace Matthews as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to reappoint Candace Matthews as Director for three years.

Candace Matthews' term of office will therefore expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2025.

RESOLUTION 7

Renewal of Jacob (Jake) Schwartz as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to reappoint Jacob (Jake) Schwartz as Director for three years.

Jacob (Jake) Schwartz's term of office will therefore expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2025.

RESOLUTION 8

Renewal of Timothée Bich as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to reappoint Timothée Bich as Director for three years.

Timothée Bich's term of office will therefore expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2025.

RESOLUTION 9

Appointment of Véronique Laury as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to appoint Véronique Laury as Director for three years.

Véronique Laury's term of office will therefore expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2025.

RESOLUTION 10

Appointment of Carole Callebaut Piwnica as Director

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having considered the Report of the Board of Directors;
- decides to appoint Carole Callebaut Piwnica as Director for three years.

Carole Callebaut Piwnica's term of office will therefore expire at the end of the Ordinary General Meeting called to approve the financial statements for the fiscal year ended December 31, 2025.

RESOLUTIONS 11 AND 12

Appointment of Ernst & Young Audit to replace Deloitte & Associés as Statutory Auditor and non-renewal of BEAS as deputy Auditor

Purpose

Having noted the expiry of the term of office of Deloitte & Associés, principal Statutory Auditor, given the seniority of its mandate as principal Statutory Auditor of the Company (since May 4, 1999) and in accordance with the provisions of Regulation (EU) No. 537/2014 of April 16, 2014, the Board of Directors decided not to propose the renewal of their mandate to the Shareholders' Meeting.

For the purpose of appointing a principal Statutory Auditor to replace Deloitte & Associés, a selection process piloted and monitored by the Audit Committee has been put in place. Four Auditors' firms were examined during the tender process. After reviewing the applications and presentations of each firm concerned, followed by question and answer sessions, the selection committee short-listed two candidates and the Audit Committee decided to recommend Ernst & Young Audit.

On the basis of this recommendation, the Board of Directors, at its meeting on April 26, 2022, decided to agree to follow the motivated preference of the Audit Committee and decided on February 14, 2023 to propose the company Ernst & Young Audit to the General Meeting.

Under the terms of the 11th resolution, it is therefore proposed that you appoint Ernst & Young Audit as principal Statutory Auditor of the Company for a term of six fiscal years.

In addition, as the Sapin II Act of December 9, 2016 abolished the obligation (L 823-1 C.com) to appoint a deputy Statutory Auditor when the Statutory Auditor is not a natural person or a one-person company, the Board of Directors proposes, under the terms of the 12th resolution and on the recommendation of the Audit Committee, to note the expiry of its term of office, and not to proceed with the renewal of the term of office of the company BEAS as deputy Auditor, and not to provide for its replacement.

Eleventh resolution

Appointment of the company Ernst & Young Audit to replace Deloitte as principal Statutory Auditor

The General Meeting of Shareholders:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having recorded the expiry of the mandate of Deloitte, principal Statutory Auditor; and
- having read the report of the Board of Directors;
- decides, on the proposal of the Board of Directors, to appoint as principal Statutory Auditor, for a period of six fiscal years, Ernst & Young Audit, whose registered office is at 1-2 place des saisons, Paris La Défense, 92400 Courbevoie, France and which is registered with the Nanterre Trade and Companies Register under number 344 366 315.

The term of office of Ernst & Young Audit will expire at the close of the General Meeting of Shareholders called in 2029 to approve the financial statements for the fiscal year ending December 31, 2028.

Twelfth resolution

Non-renewal of the company BEAS as deputy Auditor

The General Meeting of Shareholders:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having recorded the expiry of the mandate of BEAS, deputy Auditor; and
- having read the report of the Board of Directors;
- decides, in accordance with legal provisions, not to renew or replace the company BEAS in the functions of deputy Auditor and consequently notes the expiry of the said mandate.

RESOLUTIONS 13 AND 14

Renewal of the mandate of Grant Thornton as Statutory Auditor and non-renewal of IGEC as deputy Auditor

Purpose

Noting the expiry of the term of office of the company Grant Thornton as principal Statutory Auditor, and, on the basis of the recommendation of the Audit Committee, the Board of Directors proposes, under the terms of the 13th resolution, that you renew their mandate as principal Statutory Auditor of the Company for a term of six fiscal years.

In addition, as the Sapin II Act of December 9, 2016 abolished the obligation (L 823-1 C.com) to appoint a deputy Auditor when the principal Statutory Auditor is not a natural person or a one-person company, the Board of Directors proposes, under the terms of the 14th resolution and on the recommendation of the Audit Committee, to note the expiry of the term of office of the company IGEC (*Institut de Gestion et d'Expertise Comptable*), and not to proceed with the renewal of its mandate as deputy Auditor, and not to provide for its replacement.

Thirteenth resolution

Renewal of the mandate of the company Grant Thornton as principal Statutory Auditor

The General Meeting of Shareholders:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having recorded the expiry of the mandate of Grand Thornton, principal Statutory Auditor; and
- having read the report of the Board of Directors;
- decides, on the proposal of the Board of Directors, to renew the mandate as principal Statutory Auditor, for a period of six fiscal years, of Grant Thornton, whose registered office is at 29 rue du Pont - 92200 Neuilly-sur-Seine, and which is registered with the Nanterre Trade and Companies Registry under number 632 013 843.

The term of office of Grant Thornton will expire at the close of the General Meeting of Shareholders called in 2029 to approve the financial statements for the fiscal year ending December 31, 2028.

Fourteenth resolution

Non-renewal of IGEC (*Institut de Gestion et d'Expertise Comptable*) as deputy Auditor

The General Meeting of Shareholders:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- having recorded the expiry of the mandate of IGEC (*Institut de Gestion et d'Expertise Comptable*), deputy Auditor; and
- having read the report of the Board of Directors;
- decides, in accordance with legal provisions, not to renew or replace the company IGEC (*Institut de Gestion et d'Expertise Comptable*) in the functions of deputy Auditor and consequently notes the expiry of the said mandate.

RESOLUTIONS 15 TO 22

Corporate Officers and Directors' remuneration

Purpose

Eight resolutions relating to remuneration are submitted to Shareholders for approval regarding:

- the remuneration of Corporate Officers referred to in Article L. 22-10-9 I of the French Commercial Code for 2022 (*ex-post* vote) (15th resolution);
- the remuneration paid in FY 2022 or granted in this period to Gonzalve Bich, Chief Executive Officer (16th resolution);
- the remuneration policy for the Executive Corporate Officers for 2023 (17th resolution);
- the remuneration paid up to May 18, 2022 or granted in this period to John Glen, the Chair of the Board of Directors (18th resolution);
- the remuneration paid from May 18, 2022 or granted in this period to, Nikos Koumettis, the Chair of the Board of Directors (19th resolution);
- the remuneration policy for the Chair of the Board of Directors for 2023 (20th resolution);
- the remuneration policy for Directors (21st resolution); and
- the remuneration to be allocated among members of the Board of Directors for 2023 (22nd resolution).

RESOLUTION 15

Approval of the information on the remuneration of all Corporate Officers for 2022 (*ex-post* vote)

Purpose

Pursuant to Article L. 22-10-34 I of the French Commercial Code, you are asked to approve the information mentioned in Article L. 22-10-9 I of the French Commercial Code on the remuneration of all Corporate Officers for 2022.

These components are described in Chapter 4.2 of the 2022 Universal Registration Document.

Fifteenth resolution

Approval of the information on the remuneration of the Corporate Officers referred to Article L. 22-10-9 (I) of the French Commercial Code for FY 2022 (*ex-post* vote)

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on Corporate Governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information mentioned in Article L. 22-10-9 I of the French Commercial Code as described in this report.



RESOLUTION 16

Approval of Gonzalve Bich's remuneration for 2022, Chief Executive Officer

Purpose

Pursuant to Article L.22-10-34 II of the French Commercial Code, you are asked to approve all components of the total remuneration and benefits paid in for 2022 or awarded for 2022 to Gonzalve Bich, Chief Executive Officer.

These components are described in Chapter 4.2 of the 2021 Universal Registration Document.

These remuneration components were determined in accordance with the remuneration policy for Executive Corporate Officers, as approved by the General Meeting of May 18, 2022.

The annual variable remuneration, the payment of which is, pursuant to French law, subject to the approval of this resolution, is detailed in Chapter 4.2 of the 2022 Universal Registration Document (pages 193 - 199).

Sixteenth resolution

Approval of the fixed, variable or exceptional components of total remuneration and benefits paid or granted for the period ended December 31, 2022 to Gonzalve Bich, Chief Executive Officer

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on Corporate Governance referred to in Article L.225-37 of the French Commercial Code;
- approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of total remuneration and benefits of all kinds paid in the period ended December 31, 2022 or granted in the same period to Gonzalve Bich, Chief Executive Officer, which are presented in this report.

RESOLUTION 17

Approval of the remuneration policy for the Executive Corporate Officers for FY 2023

Purpose

Pursuant to Article L.22-10-8 of the French Commercial Code, you are asked to approve the remuneration policy for the Executive Corporate Officers of the Company for 2023. This has been set by the Board of Directors on the recommendation of the Remuneration Committee.

This remuneration policy is described in the report on Corporate Governance provided for by Article L.225-37 of the French Commercial Code included in Chapter 4.2 of the 2022 Universal Registration Document (pages 200 - 207).

Seventeenth resolution

Approval of the remuneration policy for the Executive Corporate Officers for FY 2023

The General Meeting:

- voting under the *quorum* and majority conditions required for Ordinary General Meetings;
- after considering the report on Corporate Governance referred to in Article L.225-37 of the French Commercial Code;
- approves, pursuant to Article L.22-10-8 of the French Commercial Code, the remuneration policy for the Executive Corporate Officers for fiscal year 2023 as described in this report.

RESOLUTION 18

Approval of John Glen's remuneration for 2022, Chair of the Board of Directors until May 18, 2022

Purpose

Pursuant to Article L.22-10-34 II of the French Commercial Code, you are asked to approve all components of the total remuneration and benefits paid in or awarded to John Glen, Chair of the Board of Directors, until May 18, 2022.

These elements of remuneration were determined in accordance with the remuneration policy for the Chair of the Board of Directors, as approved by the General Meeting of May 18, 2022.

These components are described in Chapter 4.2 of the 2022 Universal Registration Document (pages 208 - 209).

Eighteenth resolution

Approval of the fixed, variable or exceptional components of total remuneration and benefits paid or granted until May 18, 2022 to John Glen, Chair of the Board of Directors

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on Corporate Governance referred to in Article L.225-37 of the French Commercial Code;
- approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of total remuneration and benefits of all kinds paid up during the fiscal year ended December 31, 2022 or granted for the same fiscal year to John Glen, Chair of the Board of Directors until May 18, 2022, as presented in this report.

RESOLUTION 19

Approval of Nikos Koumettis' remuneration for 2022, Chair of the Board of Directors from May 18, 2022

Purpose

Pursuant to Article L.22-10-34 II of the French Commercial Code, you are asked to approve all components of the total remuneration and benefits paid in or awarded to Nikos Koumettis, Chair of the Board of Directors, from May 18, 2022.

These elements of remuneration were determined in accordance with the remuneration policy for the Chair of the Board of Directors, as approved by the General Meeting of May 18, 2022.

These components are described in Chapter 4.2 of the 2022 Universal Registration Document (pages 208 - 209).

Nineteenth resolution

Approval of the fixed, variable or exceptional components of total remuneration and benefits paid or granted until May 18, 2022 to Nikos Koumettis, Chair of the Board of Directors

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;
- after considering the report on Corporate Governance referred to in Article L.225-37 of the French Commercial Code;
- approves, pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of total remuneration and benefits of all kinds paid up during the fiscal year ended December 31, 2022 or granted for the same fiscal year to Nikos Koumettis, Chair of the Board of Directors from May 18, 2022, as presented in this report.





RESOLUTION 20

Approval of the remuneration policy for the Chair of the Board of Directors for FY 2023

Purpose

Pursuant to Article L. 22-10-8 of the French Commercial Code, you are asked to approve the remuneration policy for the Chair of the Board of Directors for 2023. This has been set by the Board of Directors on the recommendation of the Remuneration Committee.

This remuneration policy is described in the report on Corporate Governance provided for in Article L. 225-37 of the French Commercial Code included in Chapter 4.2 of the 2022 Universal Registration Document (page 210).

Twentieth resolution

Approval of the remuneration policy for the Chair of the Board of Directors for FY 2023

The General Meeting:

- voting under the *quorum* and majority conditions required for Ordinary General Meetings;

- after considering the report on Corporate Governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy for the Chair of the Board of Directors for fiscal year 2023 as described in this report.

RESOLUTION 21

Remuneration policy for Directors for FY 2023

Purpose

Pursuant to Article L. 22-10-8 of the French Commercial Code, you are asked to approve the remuneration policy for the Directors of the Company for FY 2023. This has been set by the Board of Directors on the recommendation of the Remuneration Committee.

This remuneration policy is described in the report on Corporate Governance provided for by Article L. 225-37 of the French Commercial Code included in Chapter 4.2 of the 2022 Universal Registration Document (page 210).

Twenty-first resolution

Approval of the remuneration policy for Directors for FY 2023

The General Meeting:

- voting under the *quorum* and majority conditions required for Ordinary General Meetings;

- after considering the report on Corporate Governance referred to in Article L. 225-37 of the French Commercial Code;
- approves, pursuant to Article L. 22-10-8 of the French Commercial Code, the remuneration policy for Directors for fiscal year 2023 as described in this report.

RESOLUTION 22

Remuneration granted to members of the Board of Directors for FY 2023

Purpose

You are asked to set a maximum total annual amount of remuneration to be allocated among members of the Board of Directors of 600,000 euros for FY 2023.

Twenty-second resolution

Setting the total annual amount of remuneration for directors

The General Meeting:

- voting in accordance with *quorum* and majority rules for Ordinary General Meetings;

- after considering the Board of Directors' Report;
- sets for fiscal year 2023 the total maximum amount provided for by Article L. 225-45 of the French Commercial Code available for remuneration to members of the Board of Directors at 600,000 euros.



8.2. EXTRAORDINARY GENERAL MEETING

RESOLUTION 23

Authorization to reduce the share capital by cancellation of treasury shares

Purpose

You are asked to authorize the Board of Directors to reduce the Company's share capital by cancellation of all or part of the treasury shares.

In accordance with legal provisions, the shares may only be cancelled up to 10% of the share capital per 24-month period.

This authorization would be for a period of 18 months and would cancel the prior authorization granted to the Board of Directors in the 18th resolution of the General Meeting of May 18, 2022.

Twenty-third resolution

Authorization to be granted to the Board of Directors to reduce the Company's share capital by cancellation of treasury shares

The General Meeting:

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after considering the Report of the Board of Directors and the Special Report of the Auditors;
- authorizes the Board of Directors, in accordance with Article L.22-10-62 et seq. of the French Commercial Code, to cancel, on one or more occasions, some or all of the Company's own shares held by the Company in accordance with the provisions of Article L.22-10-62 of the French Commercial Code, up to a maximum of 10% of the share capital per twenty-four month periods.

The General Meeting grants full powers to the Board of Directors (with the option to further delegate) to:

- reduce the share capital by canceling shares;
- approve the definitive amount of the share capital reduction, set the terms and conditions and certify completion thereof;
- allocate the difference between the carrying amount of the shares cancelled and their par value to available reserves or additional paid-in capital;
- amend the articles of incorporation accordingly; and
- more broadly, carry out any formalities and requirements needed to implement this resolution.

The authorization is granted for eighteen months from the date of this General Meeting. It cancels and supersedes the unused portion and unexpired period of the prior authorization granted in the 18th resolution of the Combined General Meeting of May 18, 2022.

RESOLUTION 24

Capital increase reserved for employees

Purpose

The purpose of this resolution, which is part of the policy to promote employee stock ownership that has been pursued by your Company for a number of years, is to delegate your authority to the Board of Directors to carry out capital increases reserved for employees participating in its company savings plan. Under the terms of the 24th resolution, the total nominal amount of issues of shares and/or other securities giving access to the capital under the delegation of authority which would be granted to the Board of Directors, with the power of sub-delegation, for a period of 26 months, may not exceed 3% of the Company's share capital on the date it is exercised. You will be asked to expressly waive your preferential subscription rights to the shares and/or securities that would be issued on the basis of this delegation.

The nominal amount of the capital increases decided by this resolution will be deducted from the overall ceiling provided for in the 26th resolution of this General Meeting.

This delegation may not be used during public offers on the Company's shares.



Twenty-fourth resolution

Delegation of authority to the Board of Directors to carry out a capital increase by issuing shares or securities giving access to the capital, reserved for participants in a company stock ownership plan, with cancellation of preferential subscription rights in favor of the latter

The General Meeting:

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after having considered the Board of Directors' Report and the Auditors' Special Report;
- duly noting the provisions of Articles L. 3332-1 to L. 3332-24 of the French Labor Code, and in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code:
 - a. delegates to the Board of Directors its authority, with the right to sub-delegate its authority, to decide to increase the share capital, on one or more occasions, and at times and according to procedures it shall determine, both in France and abroad, in euros or in foreign currency, by issuing ordinary shares or any securities giving access to the Company's capital, restricted to members of one or more company savings plans (or any other plan for whose members Article L. 3332-1 et seq. of the French Labor Code, or any similar law or regulation, permits restricting a capital increase under equivalent conditions) established or to be established within the Company and/or companies and groupings related to it within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code,
 - b. resolves that the total nominal amount of capital increases that may be carried out, immediately and/or in the future under this delegation of authority may not exceed 3% of the Company's share capital on the date it is exercised, it being specified that the above maximum nominal amount will be increased by securities to be issued to preserve the rights of the holders of securities giving access to the share capital, in accordance with legal and regulatory provisions, as well as applicable contractual stipulations,
 - c. resolves that the subscription price of the shares shall be set in accordance with the provisions of Article L. 3332-19 of the French Labor Code,
 - d. resolves that this delegation of authority entails cancellation of shareholders' preferential subscription rights to the new shares or securities to be issued in favor of the aforementioned beneficiaries, in the event the capital increase provided for in the foregoing paragraph is carried out,
 - e. resolves that the Board of Directors may grant free shares or securities giving access to the Company's capital, in accordance with the terms prescribed by Article L. 3332-21 of the French Labor Code,
 - f. resolves that each capital increase shall be carried out only up to the amount of the ordinary shares actually subscribed by the above beneficiaries,
 - g. resolves that the features of the issues of securities giving access to the Company's capital shall be decided by the Board of Directors in accordance with requirements prescribed by law,
 - h. decides that the Board of Directors may use this delegation at any time. As an exception, the Board of Directors may not, without the prior authorization of the General Meeting, make use of the present delegation during a period of public offer initiated by a third party for the Company's shares, until the end of the offer period,
 - i. grants all powers to the Board of Directors, with the power of sub-delegation, to implement the provisions of this authorization and notably to:
 - determine the scope of companies and groups whose employees can benefit from the issues,
 - decide and set the procedures for issuing and granting shares or securities giving access to the capital and determine their nature and characteristics under this delegation of authority and in particular to set the subscription price in compliance with the rules stipulated above, the opening and closing dates for subscriptions, the dates of record (which may be retroactive), the time periods for paying up the shares and, if applicable, the securities giving access to capital, all in accordance with the limits prescribed by law,
 - certify the completion of the capital increase(s) for the amount of the shares or securities actually subscribed and make the corresponding amendments to the articles of incorporation,
 - carry out all operations and formalities, directly or through an authorized agent, and
 - in general, to take all actions that may be useful or necessary to definitively complete the successive capital increase(s);
 - j. resolves that this authorization is granted for twenty-six (26) months from the date of this General Meeting and cancels and supersedes for the unused portion and unexpired period the prior authorization granted by the twentieth resolution of the Combined Shareholders Meeting of May 19, 2021.

RESOLUTION 25

Capital increase to pay for contributions in kind, without preferential subscription rights

Purpose

You are asked to delegate to the Board of Directors, with the power of sub-delegation, your authority to issue shares and/or other securities giving access to the company's capital for the purpose of public exchange offers. you will be asked to expressly waive your preferential subscription rights to shares and/or securities that may be issued on the basis of this delegation of authority:

- maximum nominal amount of capital increases: 10% of the company's capital;
- period of validity: 26 months.

The nominal amount of the capital increases decided by this resolution shall be deducted from the overall ceiling provided for in the 26th resolution of this General Meeting.

This delegation of authority may not be used without your formal authorization during a public tender or exchange offers for the company's shares.

Twenty-fifth resolution

Authority to be given to the Board of Directors to decide on the issuance of ordinary shares and/or securities giving present or future access to ordinary shares to be issued intended as consideration for shares tendered to the company in connection with contributions in kind limited to 10% of its share capital without preferential subscription rights

The General Meeting,

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after having considered the Board of Directors' Report and the Auditors' special report in accordance with articles L. 225-129 et seq., L. 22-10-53 and L. 228-91 et seq. of the French Commercial Code:
 - delegates to the Board of Directors, when the provisions of article L. 22-10-54 of the French Commercial Code are not applicable, with the power of sub-delegation to any person in accordance with applicable legal and regulatory provisions, the powers necessary to rule on the report of the equity Auditor(s) mentioned in article L. 22-10-53 of the French Commercial Code, the issue of ordinary shares of the company or securities giving present or future access to equity securities of the company intended as consideration for contributions in kind granted to the company and consisting of equity securities or other securities giving access to the capital,
 - decides to cancel the shareholders' preferential subscription rights for the ordinary shares or securities giving access to the Company's equity securities to be issued, in accordance with the applicable legal and regulatory provisions,
 - acknowledges that this delegation of authority automatically entails waiver by the shareholders of their preferential subscription right to the shares to which the securities that would be issued on the basis of this delegation of authority would entitle them,
 - resolves that the maximum nominal amount of capital increases carried out pursuant to this delegation of authority shall not exceed 10% of the company's capital (as existing on the date of the transaction). if applicable, this amount shall be increased by the number of additional shares to be issued to protect, in accordance with the legal or regulatory or contractual provisions, the rights of holders of securities and other rights giving access to capital,
 - resolves that the nominal amount of capital increases decided by this resolution shall be applied against the overall limit provided for in the 26th resolution,
- f. decides that the Board of Directors may implement this delegation at any time. by way of exception, the Board of Directors may not, except subject to prior authorization of the General Meeting, make use of this delegation of authority during a public tender or exchange offers for the company's shares,
- g. resolves that the Board of Directors shall have full powers to implement this delegation of authority, with the power of sub-delegation, within the limits and subject to the conditions specified above and, in particular, to:
 - decide the capital increase(s) to be carried out as consideration of the contributions and determine the shares and/or securities to be issued,
 - draw up the list of securities to be tendered and rule on the valuation of the contributions,
 - set the conditions of the issue of shares and/or securities in consideration of the contributions and, if applicable the amount of any cash balance to be paid, approve the granting of special benefits, and reduce, if the contributors agree, the value of the contributions or the consideration for the special benefits,
 - determine the characteristics of the shares and/or securities serving as consideration for the contributions,
 - determine and make all adjustments in order to take into account the impact of corporate actions affecting the company's capital or equity and set all other procedures to ensure and set the procedures according to which, as applicable, the rights of holders of securities giving access to the capital or beneficiaries of subscription or purchase options or free shares (*attribution gratuite d'actions*) will be preserved,
 - at its sole initiative, charge all costs incurred in connection with the capital increase to the corresponding share premium and appropriate therefrom the amounts necessary to fund the legal reserve,
 - set the issue terms and conditions, certify the completion of the capital increases, make the corresponding amendment to the articles of incorporation, carry out the required formalities and, in general, take all necessary actions;
- h. resolves that this delegation of authority shall be valid for a period of twenty-six (26) months from the date of this General Meeting.





RESOLUTION 26

Overall limits on the amount of the issues carried out pursuant to the delegations of authority granted

Purpose

In light of the delegations of authority presented above, it is proposed that you decide that the maximum nominal amount of capital increases that may be carried out under the delegations of authority granted under the 24th and 25th resolutions of this General Meeting shall be set at 10% of the Company's share capital on the date the Board of Directors decides on the issue, whereby to this maximum amount will be added, as applicable, the additional amount of shares to be issued in order to preserve, in compliance with the law and, where appropriate, applicable contractual provisions, the rights of holders of securities and other rights giving access to the capital.

You are reminded that, in accordance with Article R. 225-116 of the French Commercial Code, the Board of Directors shall, at the time it will make use of the delegations of authority is described above, establish a supplementary report describing the definitive terms of the transaction as well as the impact on the situation of holders of equity securities and other securities giving access to the capital, in particular with respect to their percentage of their holdings in the capital. This report as well as the Statutory Auditors' Supplementary Report will be made available to you under the conditions provided for by applicable law and regulations.

Twenty-sixth resolution

Setting of the overall limits on the amount of the issues carried out pursuant to the delegations of authority granted

The General Meeting:

- voting in accordance with *quorum* and majority rules for Extraordinary General Meetings;
- after considering the Board of Directors' Report resolves that the maximum nominal amount of capital increases that may be carried out, immediately and/or in the future under the delegations of authority granted under the 24th and

25th resolutions of this General Meeting, is set at 10% of the Company's share capital on the date the Board of Directors decides on the issue, whereby to this maximum amount will be added, as applicable, the additional amount of shares to be issued in order to preserve, in compliance with the law and, where appropriate, applicable contractual provisions, the rights of holders of securities and other rights giving access to the capital.

RESOLUTION 27

Authorization to perform formalities

Purpose

This resolution allows for the performance of the legal formalities following this General Meeting.

Twenty-seventh resolution

Authorization to perform formalities

The General Meeting fully empowers the bearer of a copy or excerpt of this document to carry out all necessary legal formalities.





ADDITIONAL INFORMATION

9.1. DOCUMENTS ON DISPLAY	356
Memorandum and articles of incorporation	356
Historical financial information	356
9.2. MAIN PRESS RELEASES	357
9.3. DECLARATION BY RESPONSIBLE PERSON OF THE UNIVERSAL REGISTRATION DOCUMENT	358
9.4. STATUTORY AUDITORS AND FEES	359
Names and addresses	359
Change of Statutory Auditors	359
Fees of the Auditors and the members of their networks	359
Auditing of historical annual financial information	360
Interim and other financial information	360
9.5. GLOSSARY	361





9.1. DOCUMENTS ON DISPLAY

MEMORANDUM AND ARTICLES OF INCORPORATION

See *Chapter 7 Information on the Issuer*.

HISTORICAL FINANCIAL INFORMATION

The 2020 and 2021 Universal Registration Documents are available on SOCIÉTÉ BIC's website (www.bic.com).



9.2. MAIN PRESS RELEASES

List of the main press releases published in 2022:

Press releases available on www.info-financiere.fr and on the Company's website: www.bic.com

Date	Title
January 18	Acquisition of Inkbox, the leading brand of high quality semi-permanent tattoos
January 21	BIC launches its second ESG share buyback program
February 15	Full Year 2021 Results
April 26	BIC First Quarter 2022 Results
May 18	2022 Shareholders' meeting (press release)
May 19	Greenhouse gas emission reduction targets announced
August 02	Second Quarter and First Half 2022 Results
August 02	Announcement of acquisition of Tattly, a leading decal brand
September 6	Acquisition of AMI
October 27	Third Quarter and Nine Months 2022 Results
December 23	BIC completes its ESG impact share buyback program and cancels shares



9.3. DECLARATION BY RESPONSIBLE PERSON OF THE UNIVERSAL REGISTRATION DOCUMENT

I certify the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and does not omit any material fact.

I certify that to the best of my knowledge, the accounts are prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and all undertakings in the consolidation taken as a whole, and that the management report, referenced in the Cross-reference table, includes a fair review of the development and performance of the business, profit or loss and financial position of the Company and the undertakings in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.

On March 29, 2023
Gonzalve Bich
Chief Executive Officer



9.4. STATUTORY AUDITORS AND FEES

NAMES AND ADDRESSES

Principal Statutory Auditors

The Company's Principal Statutory Auditors issue reports on the parent company and consolidated financial statements of SOCIÉTÉ BIC:

Deloitte & Associés

Represented by Mr. Jean-Pierre Agazzi
Tour Majunga 6, Place de la Pyramide 92800 Puteaux, France
Tel.: +33 (0)1 4088 28 00

Deloitte & Associés was appointed as Statutory Auditor for SOCIÉTÉ BIC for the first time at the General Shareholders' Meeting on May 4, 1999.

Deloitte & Associés was reappointed as Statutory Auditor for a term of six years by the Shareholders' Meeting of May 10, 2017, expiring at the Shareholders' Meeting to be held on May 16, 2023 to approve the financial statements for the year ending December 31, 2022.

Noting the duration of their mandate and its expiration, the Board of Directors has decided not to propose its renewal to the Shareholders' Meeting.

Grant Thornton

Represented by Mr. Vianney Martin
29, rue du Pont 92200 Neuilly-sur-Seine, France
Tel.: +33 (0)1 41 25 85 85

The company Grant Thornton was appointed as Statutory Auditor for SOCIÉTÉ BIC for the first time at the General Shareholders' Meeting on May 23, 2007, replacing the company BDO Marque & Gendrot, outgoing, for the remaining period of the mandate of the latter.

Grant Thornton was reappointed as Statutory Auditor by the Shareholders' Meeting of May 10, 2017, expiring at the Shareholders' Meeting to be held on May 16, 2023, to approve the financial statements for the year ending December 31, 2022.

Noting the expiry of this mandate, the Board of Directors has decided to propose the renewal of the mandate of Grant Thornton as Statutory Auditor of the Company for a period of six financial years.

Deputy Auditors

The company BEAS, appointed as Deputy Auditor for the first time at the General Shareholders' Meeting on May 19, 2005, was renewed as Deputy Auditor at the General Shareholders' Meeting on May 10, 2017 for the same period as that of Deloitte & Associés.

Institut de Gestion et d'Expertise Comptable (IGEC) was appointed as Deputy Auditor for the first time at the General Shareholders' Meeting on May 23, 2007. The mandate was renewed at the General Shareholders' Meeting on May 10, 2017 for the same period as that of Grant Thornton.

As the Sapin II law of December 9, 2016, removed the obligation (L. 823-1, C. com.) to appoint a Deputy Auditor when the Statutory Auditor is not a natural person or a one-person company, and noting the expiry of the mandate of BEAS and IGEC, the Board of Directors decided not to propose to the Shareholders' Meeting the renewal of these mandates nor their replacement.

CHANGE OF STATUTORY AUDITORS

Deloitte & Associés was reappointed as Statutory Auditor for a term of six years by the Shareholders' Meeting of May 10, 2017, expiring at the Shareholders' Meeting to be held on May 16, 2023 to approve the financial statements for the year ending December 31, 2022. Noting the duration of their mandate and its expiration, the Board of Directors has decided not to propose its renewal to the Shareholders' Meeting. A proposal will be made to the Shareholders' Meeting of May 16, 2023 to appoint Ernst & Young Audit to replace Deloitte & Associés as Statutory Auditor, for a period of six financial years.

In addition, noting the expiry of the mandate of Grant Thornton, the Board of Directors has decided to propose the renewal of their mandate as Statutory Auditor of the Company for a period of six financial years.

In accordance with applicable legal provisions, the Shareholders' Meeting of May 16, 2023 will also be asked not to renew or replace BEAS et IGEC as Deputy Auditors.

FEES OF THE AUDITORS AND THE MEMBERS OF THEIR NETWORKS

The fees of the Statutory Auditors and members of their networks borne by the Group are presented in Note 29 to the consolidated financial statements.



ADDITIONAL INFORMATION

Statutory Auditors and fees

AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

Audited historical annual financial information and the corresponding Auditors' reports for financial years 2020 and 2021, as well as the review of the financial position and the results related to it, were presented in previous registration documents, which have been duly filed with the *Autorité des Marchés Financiers* (French Financial Markets Authority) (respectively no.D.21-0249 and no.D.22-0150) and are available on the website of the Group. In accordance with Article 19 of European regulation EU No. 2017/1129 of June 14, 2017, this information is incorporated by reference in this Universal Registration Document.

INTERIM AND OTHER FINANCIAL INFORMATION

Quarterly financial information has not been audited.

Half Year and annual financial information is the subject of reports by the Statutory Auditors.



9.5. GLOSSARY

- Adjusted EBIT**

Adjusted means excluding non-recurring items as detailed in Chapter 5 section 5.1.
- Adjusted EBIT margin**

Adjusted EBIT as percentage of Net Sales.
- AFEP-MEDEF Corporate Governance Code**

Refers to the AFEP-MEDEF corporate governance code of listed corporations, as revised in its December 2022 version
- At constant currencies**

Constant currency figures are calculated by translating the current year figures at prior year monthly average exchange rates.
- BIC Code of Conduct**

Issued in 2020, the BIC Code of Conduct regroups the former Code of Ethics and Code of Conduct.
- BIC Speak-up**

Hotline accessible to all BIC team members to report on, collect alerts and prevent any violation to Anti-Corruption Policy and Code of Ethics (incl. violation to human rights, serious bodily injury and environmental damage).
- Categories**

Categories correspond to the main markets in which the Group operates such as Stationery, Lighters and Shavers.
- (on a) Comparative basis**

Means at constant currencies and constant perimeter. Figures at constant perimeter exclude the impacts of acquisitions and/or disposals that occurred during the current year and/or during the previous year, until their anniversary date.
- Corporate Officers**

Refer to the Chief Executive Officer, the Chair of the Board of Directors, the Directors and, as the case may be, any Executive Vice President who may be appointed.
- Customer/consumer**

Within the Group, the term “customer” refers to a “distributor” and the term “consumer” refers to the final consumer.
- Divisions**

BIC’s divisions, renamed following the launch of Horizon strategic plan in November 2020 are the following: Human Expression (former Stationery category), Flame for life (former Lighter category), Blade Excellence (former Shaver category) and Other Products.
- Double Materiality**

Refers to the European Union concept of the union between two materiality types: impact materiality and financial materiality.
- Earnings before interest and taxes (EBIT)**

Profit realized from a business’ own operations. Income from operations is generated from running the primary business and excludes income from other sources. It includes other products income from operations as well as Group expenses not allocated to the other categories.
- Ecodesign**

Ecodesign is the integration of the environment from the design of a product or service, and at all stages of its life cycle.
- Ecolabel**

An Ecolabel is a voluntary method of environmental performance certification. An ecolabel identifies products or services proven environmentally preferable overall, within a specific product or service category.
- Enterprise Risk Management (ERM)**

A framework to identify, assess, mitigate, monitor and manage potential enterprise-wide non-routine risks that could impact the Company’s strategy.
- Environment, Health & Safety (EH&S) Policy**

The Environment, Health & Safety (EH&S) Policy, defined in 2005 and signed by the CEO, codifies the Group’s commitment to minimizing the impact of its industrial activities.
- Executive Corporate Officers**

Refer to the Chief Executive Officer, and, as the case may be, any Executive Vice President who may be appointed.
- Free Cash Flow**

Free Cash Flow is the Net Cash flow from Operating Activities less capital expenditures (CAPEX). Free cash flow does not include acquisitions and proceeds from the sale of businesses.
- Gross Profit**

Gross profit is the margin that the Group realizes after deducting its manufacturing costs.



● **Group's Anti-Corruption Policy**

The Group's Anti-Corruption Policy, defined in 2016, states that BIC will not tolerate bribery or corruption in any place where it operates, upholding its reputation for integrity.

● **Group Committee**

The Group Works Council receives information on the Group's activity, financial situation, annual or multi-year employment trends and forecasts, and any preventive measures planned in the light of these forecasts, both within the Group and in each of its member companies. It is informed of the Group's economic outlook for the coming year in these areas. It is also responsible for appointing the directors representing the employees.

● **Hedge accounting**

A hedging transaction consists of purchases or sales of financial instruments that must have the effect of reducing the risk of changes in value affecting the hedged item. For an accounting transaction to qualify as a hedge, it must identify hedging items from the outset.

● **Integrated Risk Assessment**

Top-down and bottom-up risk mapping, assessment, and treatment of Enterprise Risks and Corruption Risks jointly led by Group Risk Management and the Legal Department.

● **Internal control**

The Device implemented by the management of a company to enable it to control the risky operations that must be done by the Company. For this reason, its resources are measured, directed and supervised so that management can achieve its objectives.

● **LCA**

Life Cycle Analysis (LCA) is a method for assessing a product's total environmental impact in each successive phase in its life: the extraction and transportation of the raw materials used to make it, the manufacturing processes, transportation to the consumer, product usage, and finally, end of life and waste processing.

● **Net Cash from Operating Activities**

Principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

● **Net Cash Position**

Cash and cash equivalents + Other current financial assets - Current borrowings - Non-current borrowings.

● **New product**

A product is considered as a new one in the year of its launch and the three following years.

● **Original Equipment Manufacturers (OEM)**

Outsourced contract manufacturer for the development and production of finished products according to BIC design intent, specifications and potentially incorporating innovation and technologies not mastered by BIC.

● **Performance Share Plan**

Freely granted shares of SOCIÉTÉ BIC subject to performance conditions.

● **Preferential subscription right**

The advantage conferred by Article 225-132 of the French Commercial Code to the shareholder allowing him, during a given period, to be able, at the time of a capital increase, to assert a right of preference the acquisition of new shares under the conditions provided for by the Extraordinary General Meeting.

● **Product Safety Policy**

The Product Safety Policy, introduced in 2001, specifies the ten commitments adopted to ensure that the products developed and manufactured by BIC are safe in terms of human health and the environment.

● **REACH (Registration, Evaluation, Authorisation and Restriction of Chemical substances)**

REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals.

● **Risk**

The possibility of an event occurring whose consequences could affect:

- the ability of the Company to achieve its objectives;
- the ability of the Company to respect its Values, ethics and laws and regulations;
- the persons, assets, the environment of the Company or its reputation.

● **Scope 1, 2 and 3**

Scope 1, 2 and 3 are ways of categorizing both direct and indirect Company greenhouse (GHG) emissions. Scope 1 emissions are GHG emissions emitted directly from the Company. Scope 2 emissions are indirect GHG emissions emitted from the energy purchased by the Company. Scope 3 emissions are also indirect GHG emissions, accounting for upstream and downstream emissions of a product or service, and emissions across a Company's value chain.

● **Unallocated costs**

Net costs [balance of income and expenses] of Corporate headquarters including IT, finance, legal and HR costs, and of our shared services center. These also include other net costs that can't be allocated to Divisions, notably restructuring costs, gains or losses on assets' divestiture, etc. Major unallocated items will be separately identified and disclosed.

CROSS-REFERENCE TABLE FOR UNIVERSAL REGISTRATION DOCUMENT

This reference table is based on the headings set out in Annex I and II of Delegated Regulation (EU) 2019/980 of the Commission of March 14, 2019 and refers to the pages of this Universal Registration Document on which the relevant information can be found.

No.	Information	Pages
	Persons responsible, third party information, experts' reports and competent authority approval	
1.	Persons responsible, third party information, experts' reports and competent authority approval	358
2.	Statutory Auditors	359
3.	Risk factors	45 - 68
4.	Information about BIC	324 - 326
5.	Business overview	
5.1	Principal activities	22 - 23 ; 218 - 224
5.2	Principal markets	34 - 41
5.3	The important events in the development of the issuer's business	N/A
5.4	Strategy and objectives	30 - 31
5.5	Dependence on patents, licenses, contracts or new manufacturing processes	N/A
5.6	Basis for any statements made by the Group regarding its competitive position	34 - 41 ; 218 - 224
5.7	Investments	227 - 228
6.	Organisational structure	
6.1	Brief description of the Group	34 - 44
6.2	List of significant subsidiaries	289 - 291
7.	Operating and financial review	
7.1	Financial condition	24 - 27 ; 225 ; 230 - 236 218 - 219 ; 231 ; 241 - 244 ; 246
7.2	Operating results	
8.	Capital resources	
8.1	Information on BIC's capital resources	233 - 234
8.2	Sources and amounts of cash flows	236
8.3	Information on borrowing requirements and funding structure	262 - 263
8.4	Restrictions on the use of capital resources	N/A
8.5	Anticipated sources of funding	288
9.	Regulatory environment	
9.1	Detailed description of the significant regulatory environment	55 - 59 ; 128 - 131
10.	Trend information	
	Recent trends affecting production, sales, inventory and costs and prices Significant changes in financial performance related to published information (the case may be, negative declaration).	
10.1	Trends that may have a significant impact on Société BIC	32-33
11.	Profit forecasts or estimates	
11.1	Publication of current/invalid profit forecast or estimate	N/A
11.2	Declaration of the main hypothesis regarding the declaration of estimated/ forecast profit	N/A
11.3	Statement on the basis of the declaration of estimated/forecast profit	N/A
12.	Administrative, management and supervisory bodies and Executive Corporate Officer	
12.1	Board of Directors and Senior Management	156 - 191





ADDITIONAL INFORMATION

Cross-reference table for Universal Registration Document

No.	Information	Pages
12.2	Conflicts of interest affecting administrative, management and supervisory bodies and Senior Management	165 - 166
13.	Remuneration and benefits	
13.1	Remuneration and benefits in kind	192 - 215
13.2	Amounts set aside or accrued to provide pension, retirement or similar benefits	206
14.	Board practices	
14.1	Expiry date of current terms of office	158
14.2	Service contracts	N/A
14.3	Information about the issuer's Audit Committee and Remuneration Committee	183 - 190
14.4	Statement regarding the compliance with the corporate governance regime	157
14.5	Potential material impacts on corporate governance	N/A
15.	Employees	
15.1	Number of employees and breakdown of persons employed	107 - 119
15.2	Shareholding and stock options	204 - 206
15.3	Employee involvement in the capital of the issuer	277 - 280; 330
16.	Major Shareholders	
16.1	Notifiable interests in share capital or voting rights	330
16.2	Existence of specific voting rights	329 - 330
16.3	Control of BIC	329 - 330
16.4	Agreements known to BIC which could lead to a change in control, if implemented	N/A
17.	Related-party transactions	287
18.	Financial information concerning BIC's assets and liabilities, financial position and profits and losses	
18.1	Historical financial information	230 - 292 ; 297 - 317
18.1.1	Audit of historical annual financial information (last three years) and audit report for each year	359
18.1.2	Change of reference date (if applicable)	N/A
18.1.3	Accounting standards	238 - 239
18.1.4	Change in accounting standards	N/A
18.1.5	Details of audited financial information	230 - 292
18.1.6	Consolidated Financial Statements	230 - 292
18.1.7	Latest financial information	238
18.2	Interim financial information and other	N/A
18.2.1	Publication of quarterly and half-year financial information (as the case may be, failure to publish quarterly and half-year financial information)	360
18.3	Audit of annual historical financial information	359
18.3.1	Independent Audit Report	293 - 296
18.3.2	Other audited information (if applicable)	N/A
18.3.3	Financial information not extracted from the audited financial statements of BIC (if applicable)	N/A
18.4	<i>Pro forma</i> financial information	N/A
18.5	Dividend policy	30 - 31
18.5.1	Distribution of dividends and applicable restrictions	226
18.5.2	Dividend amount per share	226
18.6	Legal and arbitration proceedings	33
18.7	Significant change in the financial position	33
19.	Additional information	



No.	Information	Pages
19.1	Share capital	261 - 262; 307; 329 - 330
19.1.2	Other shares	N/A
19.1.3	Treasury shares	261 - 262; 331 - 332
19.1.4	Tradeable securities	199; 206; 280
19.1.5	Conditions of acquisition	199
19.1.6	Options or agreements	N/A
19.1.7	History of share capital	329 - 330
19.2	Memorandum of association and by laws	325
19.2.1	Corporate purpose	325
19.2.2	Rights and privileges of shares	325; 329
19.2.3	Items potentially affecting a change of control	330
20.	Material contracts	
20.1	Summary of contracts to which Société BIC and members of the Group are parties and other contracts	N/A
21.	Documents available	
21.1	Statement of searchable documents	356

CROSS-REFERENCE TABLE WITH THE ANNUAL FINANCIAL REPORT

The 2011 registration document contains all of the information in the Annual Financial Report governed by Article L. 451-1-2 of the French Monetary and Financial Code. To make this information easier to find, the following cross-reference table lists it by main topic.

No.	Information	Pages
Annual Financial Report		
1.	Parent company financial statements	297 - 317
2.	Consolidated financial statements	230 - 292
3.	Statutory Auditors' Report on the parent company financial statements	318 - 321
4.	Statutory Auditors' Report on the consolidated financial statements	293 - 296
5.	Management report including, at least, information mentioned in Articles L. 225-100, L. 225-100-2, L. 225-100-3 and L. 225-211 paragraph 2 of the French Commercial Code	367-368
6.	Declaration by person responsible for the registration document	358
7.	Auditors' fees	292

CROSS-REFERENCE TABLE WITH THE MANAGEMENT REPORT

This Universal Registration Document includes information of the Company management report and Group management report, as provided for in Articles L. 225-100 et seq. and L. 232-1 of the French Commercial Code, as well as the report on the corporate governance pursuant to Articles L. 225-37 et seq. of the French Commercial Code, and of the Extra-financial Performance Statement, as provided for in Article L. 225-102-1 of the French Commercial Code.

The following table cross-refers each section of the management report to the corresponding pages of the Universal Registration Document:

No.	Information	Pages
Management report		
1.	Activity and business development/Results/Financial situation and performance indicators	218 - 225
2.	Use of financial instruments by the Company, when relevant for the assessment of its assets, liabilities, financial position and results	280 - 286
3.	Description of the main risks and uncertainties	46 - 54
4.	Financial risks related to climate change	48
5.	Information on the risks incurred in the event of changes in interest rates, exchange rates or stock market prices	283
6.	Internal control and risk management procedures	60 - 68
7.	Existing branches	314 - 316
8.	Material acquisitions of equity interests in companies with their head office in France	N/A
9.	Post-closing events/Outlook	32-33
10.	Dividends paid over the past three years	226
11.	Operations by the Company on its own shares	331 - 332
12.	Adjustments to the rights of holders of share equivalents	N/A
13.	Environmental, social and societal responsibility information	69 - 152
14.	Research and development activities	42
15.	Terms of payment of trade payables and receivables of SOCIÉTÉ BIC	317



ADDITIONAL INFORMATION

Cross-reference table with the management report

No.	Information	Pages
Management report		
16.	Vigilance plan	55 - 59
17.	Extra-financial Performance Statement:	69 - 152
	Company's business model	
	Description of the main risks regarding the way the Company considers the social and environmental consequences of its activity, and effects of this activity regarding the respect of Human Rights and on the fight against corruption and tax evasion	55 - 59; 134 - 136
	Description of the policies implemented by the Company and results of these policies	69 - 152
	Social consequences of the Company's activity	107 - 131
	Environmental consequences of the Company's activity	85 - 106
	Effects of the Company's activity regarding the respect of Human Rights	120
	Effects of the Company's activity regarding the fight against corruption	132 - 133
	Effects of the Company's activity regarding the fight against tax evasion	132
	Consequences of the Company's activity on climate change and use of the goods and services it produces	85 - 106
	Societal commitments in favor of sustainable development	69 - 152
	Societal commitments in favor of circular economy	99
	Societal commitments in favor of the fight against food waste	137
	Societal commitments in favor of the fight against food insecurity	137
	Societal commitments in favor of the respect of animal well-being	128
	Societal commitments to a responsible, fair trade, sustainable food	137
	Collective agreements reached within the Company and on their impact on the economic performance of the Company and on the working conditions of the employees	119
	Action to fight against discriminations and promote diversity	117 - 119
	Measures in place in favor of disabled employees	117 - 119
Appendices		
	Five-year financial summary	317



CROSS-REFERENCE TABLE OF ESG INFORMATION

For each section of the registration document, the following table gives the corresponding GRI^(a) indicators, the principles of the United Nations Global Compact and the general policies of the OECD Guidelines^(b).

Contents of the registration document	GRI ^(a)	Principles of the Global Compact	OECD ^(b) general principles	Pages
1. Group presentation, outlook, and strategy	2-1, 2-2, 2-6, 2-7, 3-2, 3-3	-	6, 10	21 - 44
2. Risks management	3-2, 3-3	-	10	45 - 68
3.1 Strategy and business model	2-17, 2-22, 2-29, 3-3	1 to 10	1, 5, 10, 11, 12, 14	71 - 84
3.2 Environment	2-29, 201-2, 301-1, 301-2, 302-1, 302-2, 302-3, 302-4, 303-1, 305-1, 305-2, 305-5, 306-1, 306-2, 306-3, 306-4, 306-5, 307-1	7, 8, 9	1, 8, 10, 11, 12, 13	85 - 106
3.3 Social	2-7, 2-29, 203-1, 203-2, 401-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 404-1, 404-2, 404-3, 405-1, 416-1, 417-1	1, 3, 4, 6	1, 2, 3, 4, 8, 9, 14	107 - 131
3.4 Ethics and Business conduct	2-6, 2-7, 2-23, 2-26, 2-29, 205-1, 205-2, 408-1, 409-1, 412-1, 414-1	1, 2, 5, 10	2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 15	132 - 133
3.5 Milestones	2-2, 2-3, 2-5	-	1, 2, 3, 9, 13	134 - 152
4. Corporate governance	2-9, 2-15, 2-19, 2-20, 2-21	-	6	153 - 216

(a) GRI: Global Reporting Initiative, version G4.

(b) OECD: Organization for Economic Co-operation and Development.

CROSS-REFERENCE TABLE OF THE CORPORATE GOVERNANCE REPORT

This Universal Registration Document includes information of the Company corporate governance report pursuant to the Articles L. 225-37, L. 225-37-1, L. 22-10-8, L. 22-10-9, L. 22-10-10, L. 22-10-11 of the French Commercial Code.

No.	Information	Pages
1.	Choice of organization of the Management	156
2.	Composition, conditions for preparing and organizing the work of the Board of Directors	158 - 179
3.	Limitation of the powers of the Management	180
4.	Main functions and directorships held in any company by each by Corporate Officer	169 - 179
5.	Policy on diversity applicable to the Board	159-160
6.	Way the Company seeks gender balance within the Executive Committee and the top management, and results in terms of diversity among the 10% top-level positions	117 - 119, 159-160
7.	Agreements entered into between a Corporate Officer or a significant shareholder with a controlled by the issuer within the meaning of Article L. 233-3 of the French Commercial Code (regulated agreements)	322
8.	Description of the procedure put in place by the Board of Directors on regular assessment of agreements entered into in the ordinary course of business and on arms' length terms, pursuant to paragraph 2 of Article L. 225-39 and of the Article L. 22-10-12 of the French Commercial Code	183
9.	Transactions in Company's shares by Corporate Officers	166
10.	Compensation policy applicable to executive corporate officers of which restrictions on the exercise of stock options or the sale of shares by corporate officers, in the event of the grant of stock options or free shares	200 - 207
11.	Remuneration and benefits of any kind paid during the past fiscal year to each corporate executive officer	193 - 199 , 208 - 209
12.	Ratio between compensation paid to the executive corporate officers and the average and median compensation received by BIC employees	211 - 212
13.	Summary table of the implementation of AFEP-MEDEF Code	157
14.	Table of authorizations to issue new shares and share equivalents	327
15.	Terms and conditions specific to shareholder participation in the Shareholders' Meetings	326
16.	Arrangements which may have a bearing in the event of a public takeover (incl. capital structure and elements provided for in Article L. 22-10-11 of the French Commercial Code)	330
17.	Share Capital	261 - 262, 307 , 327 - 328
18.	Employee share ownership	330
19.	Statutory requirements governing changes in the share capital and shareholders' rights	326





INVESTORS RELATIONS
12, BOULEVARD VICTOR HUGO
92611 CLICHY CEDEX – France
TEL: 33 (0) 1 45 19 52 00
EMAIL: investors.info@bicworld.com
LIMITED COMPANY CAPITAL EUROS 167,897,503.32
DIVIDED INTO 43,952,226 SHARES OF EUROS 3.82
QUOTED ON EUROLIST EURONEXT PARIS
CODE ISIN : FR0000120966
MNEMONIC: BB CONTINUOUS QUOTATION
552.008.443 REGISTERED IN NANTERRE France
Cover illustration © Côté Corp
Integrated Report extract: Consulting and realization: Côté Corp



This label recognizes the most transparent documents and information materials according to the criteria of the classement annuel de la Transparence (annual Transparency ranking) (www.labrador-transparency.com)





SOCIÉTÉ BIC
92110 CLICHY (FRANCE)
www.bic.com